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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL
Egypt agrees talks basis
 J.S. Secretary of State Cyrus Vance is prepared to engage in shuttle diplomacy between Israel and Egypt, either during or after President Carter's visit to Cairo.

BUSINESS
Equities top 500; Gold down \$2
 EQUITIES passed the 500 mark on the FT 30-share index to close 3.4 up at 500.2. The All-Share index rose 1.6 to a new high of 249.11.

Survival plan
 The Cabinet has drawn up a survival scheme which could keep Mr. Callaghan in power until the summer of autumn. It plans to delay for as long as possible the tabling of the order annulling the Scotland Act, and timing the subsequent Commons vote, Back Page and Parliament, Page 11; Politics Today Page 23

Banker rules
 The Inter-Governmental Maritime Consultative Organisation expected to be asked to introduce regulations requiring diffused steering gear on existing ships, and twin independent steering systems on new vessels. It follows the publication yesterday of a report on the 1970 Cadiz tanker disaster. Back Page 2; Editorial comment Page 22.

Hospital pay vote
 London's Westminster Hospital staff rebuffed the proposal of the Public Employees' Union to accept a large majority to accept Government's pay offer, striking nearly two months. Back Page 10.

Prices move on
 Tanzanian and Ugandan rebels have moved further towards Kampala. Ugandan forces said they had attacked Mpigi, 30 miles from the capital, and unconfirmed reports they had taken the town.

Oil protest
 A revolutionary guards fired on the air to disperse about 1000 women in Tehran protesting at religious leader Ayatollah Khomeini's demands that female civil servants should wear veils. Page 3.

Double staff call
 A call for the mentally handicapped in hospitals and in their own homes should be made, the Lay Committee says in a report to the Government. The committee, which has been set up to recommend a new staff training scheme.

Yanoli claim
 A report has accused Chinese troops of continuing attacks on Myanmar territory, in spite of Peking's announcement that it was withdrawing troops. Page 3.

Revifly
 The Tigra People's Liberation Front, an Ethiopian guerrilla group, claimed it had killed 71 government soldiers in two attacks.

Shetland Islands Council
 is preparing to close the Sullom Leifur oil terminal unless tougher assurances are taken to stop the lagoon of beaches. Page 7.

300 Brent geese found dead
 Colne Point Nature Reserve, Essex, were poisoned by grain feed in a banned insecticide. A director Alfred Hitchcock, was presented with the Life Achievement Award of the American Film Institute.

STOCK PRICE CHANGES YESTERDAY
 (Prices in pence unless otherwise indicated)

RISERS		FALLS	
50pc 1983 294 + 1	Plym 162 + 8	Crouch (D.) 129 - 7	
cheq. 131pc 1987 225 + 2	Redland Warrants 547 + 7	Dunbee-Comber 30 - 8	
gas. 151pc 1996 1234 + 3	Sharpe (W. N.) 170 + 12	Galliford Brindley 76 - 2	
loc. Dairies 254 + 9	Stanley (A. G.) 218 + 21	Plessey 110 - 4	
se 185 + 9	Status Discount 340 + 20	R.M.C. 144 - 4	
scham 683 + 15	Strong & Fisher 81 + 6	Taverner Rutledge 64 - 4	
ft. Sugar 160 + 10	Travis & Arnold 191 + 10		
flatt. Dickenson 95 + 8	Shell Transport 680 + 20		
nell Elect. 450 + 20	Central Pacific 650 + 55		
288 + 7	Minerals 480 + 15		
rris & Sheldon 61 + 7	General Mining 480 + 15		
me Charm 340 + 29	Southern Pacific 210 + 10		
110 + 9	Pet 543 + 20		
l. Thomson 409 + 31	Southway 543 + 20		
yeer Ulmann 54 + 4	Sungel Besi 260 + 15		
de Intl. 209 + 15			
yland Paint 114 + 8			
T Furniture 345 + 10			
rtonaire 217 + 13			
edlers 85 + 10			
achey Prop. 120 + 4			

April 17 resumption likely as Times formula is accepted

BY ALAN PIKE, LABOUR CORRESPONDENT

A formula for negotiations which could lead to Times Newspapers publications appearing again next month received immediate endorsement from two of the unions most directly involved in the dispute yesterday.

The proposals were overwhelmingly approved at a three-hour meeting of 500 National Graphical Association members employed by the company after they had been endorsed earlier in the day by the union's executive.

At the same time the executive of the biggest Times Newspaper union, the National Society of Operative Printers, Graphical and Media Personnel met and agreed to recommend the plan to its members.

Under the proposals, reached after overnight talks with Mr. Albert Booth, the Employment Secretary, which lasted until the early hours of yesterday morning, management and unions will work towards a resumption of publication by April 17.

Publication of the Times, the Sunday Times and the three Times supplements has been suspended by the management since November 30. There have been no negotiations until now because of an insistence by union leaders that staff dismissed when publication was suspended must be reinstated before they would talk.

Mr. Booth's formula provides for the "re-engagement" until April 17 of 2,084 dismissed staff, the last of whom were

Libya cuts oil supplies by 18%

By David Lazcelles in New York

LIBYA HAS told its major oil customers that it will cut supplies by up to 18 per cent from the beginning of April, involving "force majeure." It gave no indication that it also proposes to cut oil production and it therefore seems likely it wants to sell more of its oil on the spot market, where prices have shot up after the Iranian crisis.

There is concern about what would happen to world oil prices if this practice caught on among other members of the Organisation of Petroleum Exporting Countries.

Libya's action was confirmed last night by Exxon, the largest oil company, and several other companies in America and Europe, including Shell, which buy oil from Libya. Some companies refused to specify the size of the reduction, but others put it at 18 per cent. The Libyans said the new arrangements would apply until further notice.

The cuts apparently affect only oil bought from the Libyan government under previously negotiated contracts. They do not affect oil produced either by Libya or by any of the foreign companies operating there, so the major foreign consortium, Oasis, which comprises Continental Oil, Marathon and Amerasia Hess, as well as major operators like Exxon and Occidental, will be able to produce as before.

The only explanation Libya gave for the move was "technical reasons." However, it is not known to be experiencing any special difficulties with oil production at the moment.

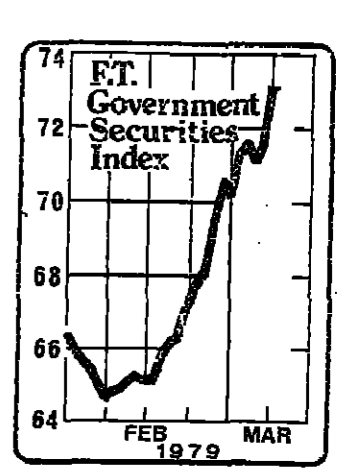
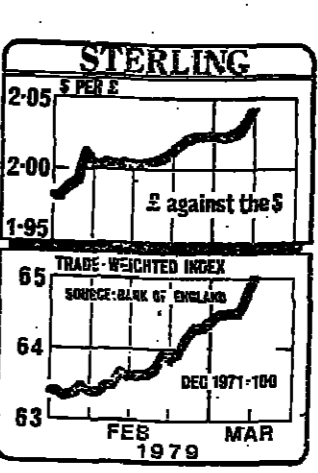
A more likely reason is Libya's eagerness to profit from the tightness of the spot market where prices are now well over \$20 a barrel compared with an official OPEC price of \$13.45, and certainly more than the price Libya gets from its regular customers.

If it is a ploy to divert oil from the regular market to the spot market there would presumably be nothing to stop other oil producers following suit for as long as spot prices hold up.

Libya produces about 2.2m barrels of oil a day and is a major supplier to the European and North American markets.

Sue Camron writes: In London, Shell said it lifts 5,000 barrels of oil a day from Libya—a very small proportion of its total 4.5m barrels a day. It was too early, the company said, to tell what effect the cut in Libyan exports would have on world supplies.

Iran oil forecasts, Page 3
UK oil consumption, Page 8



Pound leads market rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

STERLING ROSE sharply again yesterday to its highest level for nearly a year and there were further substantial gains in both the equity and gilt-edged markets.

Dealers said the Bank of England intervened from time to time to prevent too large a rise in the pound, but the trade-weighted index nonetheless rose by 0.3 points to 65.0, which it last reached on March 10 last year, for a gain of 1.1 per cent in the last week and an appreciation of 2.7 per cent in the last six weeks.

The unsettled conditions in the gilt market have made it much more difficult for the Bank of England to judge whether to issue any new top stocks since they will be reluctant to risk a repetition of last month's confused scenes and heavy over-subscription.

The Bank continued to signal

Strength

The rise yesterday was partly the result of the further weakness of the dollar, with sterling going up 80 points to \$2.0425, its highest level since the end of last October. But the pound was also firm against the main Continental currencies, and significantly—strong too in the forward markets.

The recent strength of sterling not only reflects the high interest rates in the UK relative to those abroad but also an appreciation that the UK is better placed than most of its competitors to face higher oil prices because of North Sea oil.

Review

Prime Minister told the Commons that there was a good case for reviewing the way in which the Bank of England issues gilt-edged stock. Mr. John Lee, Labour MP for Handsworth, had complained of "undefining" scenes during the rush for stock on February 25.

its desire for interest rate stability for the time being, via its money market operations with the discount houses.

The buoyancy of gilts was matched in the equity market where the FT 30-share Industrial Ordinary index rose above 500 for the first time since October 20. It closed 3.4 up at 500.3 after a day's high of 502.7.

Meanwhile, the more broadly based FT-Actuaries All-Share index, which broke into new high ground on Wednesday, made a further advance of 1.3 per cent yesterday to 249.11.

Money markets, Page 31
Export fears, Page 6

£ in New York

	Mar. 7	Previous
1 month	52.050-030	52.040-030
3 months	52.048-048	52.047-047
6 months	52.046-046	52.045-045
12 months	52.044-044	52.043-043

France suspends steel lay-offs after clashes

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Government and steel industry yesterday made an important concession to the steel worker's trade unions by suspending all lay-offs in the steel industry while discussions take place on the Government's steel restructuring plan.

The move followed bloody clashes between steel workers and riot police in the northern French town of Denain on Wednesday night and yesterday morning.

Thirty demonstrators and 15 police were injured, some seriously, in the demonstrations. Angry workers claim their livelihood is threatened by the restructuring plan, under which nearly 22,000 jobs are due to disappear.

In the worst incidents since violent protest in Lorraine and northern France several weeks ago, seven policemen were injured by bullets fired by a gunman shortly before midnight on Wednesday.

The shooting occurred after a day of running street battles, during which between 1,500 and 2,000 steel workers from the Usinor plant, armed with steel bars and other makeshift weapons and backed by bulldozers, had attacked Denain police station.

Although a semblance of calm returned to the town yesterday, after the unions' demand that the police should withdraw from the centre of Denain had been met, the scene still resembled a battlefield, with barricades everywhere and the air heavy with tear gas.

All approach roads to Denain and the nearby industrial town of Valenciennes, as well as the Paris-Brussels motorway, continued to be blocked by angry workers, who also occupied Valenciennes railway station.

The announcement by M. Claude Etchegaray, chairman of Usinor, one of the two large steel groups involved in the restructuring plan, that all lay-offs would be suspended temporarily, affects about 12,000 jobs.

M. Etchegaray said the decision had been taken because negotiations with the unions had shown that it was possible to make some modifications.

Among the new proposals made by the Usinor management is the creation of a special company in which workers will be retained to other jobs. But M. Etchegaray made it clear that the margin for modifications of the restructuring plan was very small.

The group, facing losses of FF1.1 bn (about £15m) in 1979 after a deficit of FF1.2bn last year, must balance its accounts by 1980-81. It is also obliged to finance investments of about FF600m per year over a three-year period.

M. Etchegaray's gesture suspending lay-offs was matched by Mr. Robert Boulin, the Labour Minister, who also made new proposals in negotiations with the unions, including a "golden handshake" of FF50,000 (about £5,800) to all steel workers who gave up their jobs.

Wereldhave drops EPC bid

BY CHRISTINE MOIR

WERELDHAVE, the Dutch investment group, has withdrawn from the bidding for English Property Corporation. Carena Bancorp, the Canadian group owned by the Bronfman brothers, is considering whether to step in in its place.

Mr. Harold Milavsky, a director of Carena, confirmed last night that he and five other directors had been studying EPC's books and properties all week. By the end of next week "we should be in a position to consider making an offer for EPC," he said.

Time is of the essence for Carena, the controlling shareholder in Trizec Corporation, a Canadian quoted property group in which EPC has a half share.

EPC is already subject to a 60p per share recommended bid from Olympia and York, another private Canadian company owned by the Reichman brothers, who are the Bronfman's arch-rivals.

Olympia's offer closes on March 23 and Mr. Milavsky said Carena would have to make its intentions clear by that date.

Olympia has been the front runner for the EPC since a 22 per cent stake in EPC in the market and its offer topped Wereldhave's highest tender by 4p.

Wereldhave's withdrawal is caused by a change in its relationship with Carena. Some weeks ago the two reached an agreement in which Carena provided "certain assurances" to Wereldhave. Mr. Milavsky said.

Those assurances, which amounted to a cash injection of C\$35m (£15m), have now been withdrawn and Wereldhave has been forced to retire.

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EUROPEAN NEWS

Brussels threatens court case over steel aids row

BY GILES MERRITT IN BRUSSELS

IF BRITAIN and Italy refuse to drop their objections to a new code governing national aids to steel producers, the European Commission will not hesitate to resort to the Treaty of Rome to impose even tougher limits. The likelihood that the Commission's competition directorate will use articles 92 and 93 of the Treaty to take defaulting governments before the European Court of Justice is being emphasised in Brussels, following the rejection by the UK and Italy of a steel aids code at the March 5 Council of Ministers meeting here.

But the Commission plan to fall back on the two articles covering state aids could well involve it in a legal tussle with some member governments. Britain's decision to block the aids code is based on a long-drawn-out dispute about the fact that the code would be both interpreted and enforced by the Commission. The British Government has argued that giving the European Commission the power to decide whether general aids constitute unfair support could affect the existing balance between Community institutions.

turbance in the economy of a member state. The proposed steel aids code stems from moves first made in May 1978, to control national subsidies and grants to steel producers in the EEC. Last November, West German insistence in the need to reduce aids that distorted fair trading moved the Bonn Government to threaten the future of the Community's steel industry crisis plan. The result was the disputed code limiting specific aids and ending the Commission with the authority to police such non-specific aids as regional grants.

Energy loans to go ahead

BY OUR BRUSSELS STAFF

A SPECIAL European Community financing instrument which could be worth almost \$500m is to be approved by EEC Finance Ministers when they meet in Brussels on March 19.

Dubbed the Ortoli Facility, after Mr. Francois-Xavier Ortoli, the EEC Economics and Financial Affairs Commissioner, it is for funding energy and infrastructure programmes in the EEC. The first tranche of the facility is for ECU500m (£340m, of which ECU300m is expected to be devoted to energy projects.

The first tranche, providing the Council of Ministers approves it, will be raised by the

European Investment Bank (EIB) and disbursed by the European Commission. The exact form of the EIB loan will, it is understood, depend on market conditions. In its present form, the Ortoli Facility has a ceiling of ECU800m (£544m) or a life of two years, whichever is reached the soonest. Mr. Ortoli had envisaged an initial package totalling ECU1bn, this was reduced because the European Parliament was worried that its budgetary authority could be eroded. Another facility is expected to be negotiated between the Commission, the Parliament and the Council of Ministers once the present instrument is exhausted.

Sweden plans £75m stimulus for industry

By William Duffice in Stockholm

THE LIBERAL minority Government yesterday submitted to the Riksdag (Parliament) a SKr 661m (£75.1m) package of measures to stimulate Swedish industrial growth. The Bill marks a switch to the aggressive after the huge state spending to defend the ailing shipbuilding, steel and textile industries over the past three years, according to Mr. Erik Huss, the Industry Minister.

The aim is to stimulate growth in those branches in which Sweden is judged to have long-term competitive advantages. It was not the Government's job to defend those branches or products, but to offer general stimuli, Mr. Huss told journalists when presenting the Bill, which covers the 1979-80 budget year. It provides for an industrial development fund to be set up, which would have SKr 200m to spend during the first year on promoting new products, processes and systems. The intention is to back projects involving risk capital but with prospects of reaching long-term profitability.

The fund will be complemented by a SKr 4m campaign to encourage the establishment of new business. A SKr 1m allocation will pay for consultants to help employees who want to take over and run companies being closed down by their owners.

The regional development funds set up last year to promote small and medium businesses will have SKr 300m added to the SKr 1bn they were originally allocated. The funds offer the smaller businesses cheaper credits than they could obtain from the banks.

The Government also wants to allocate SKr 47m to a new board which will co-ordinate Swedish consortium bids for large industrial and construction projects abroad. It will finance project preparations, tendering for contracts and seminar activities. Some SKr 10m would be allocated to finding ways of expanding Swedish imports of technical know-how through licensing agreements to the Bill calculates that an annual growth in Swedish exports of 8.6 per cent would be needed to reduce Sweden's payments deficit to SKr 5bn in 1982.

Mr. Huss underlined the Government's commitment to the principles of the market economy. The exposure of Swedish industry to international competition was steadily increasing, but a commitment to free trade was essential, if industry was to be effective and capable of adjusting to changes in its working conditions.

Non-Socialists edge ahead in opinion poll

By Our Stockholm Correspondent SWEDEN'S non-Socialist parties edged ahead of the two left-wing parties in the latest opinion poll taken in February, seven months before the general election.

The implication is that the return to power of the Social Democrats, who ruled Sweden for 44 years until 1976, is less certain than had been supposed after the collapse of the non-Socialist coalition Government last October.

The three non-Socialist parties obtained 49.2 per cent of voter sympathies in the poll, conducted by the Central Statistical Bureau, against 48.3 per cent for the Social Democrats and Communists. Under Sweden's proportional representation system, however, the non-Socialists would not have been ensured of a parliamentary majority.

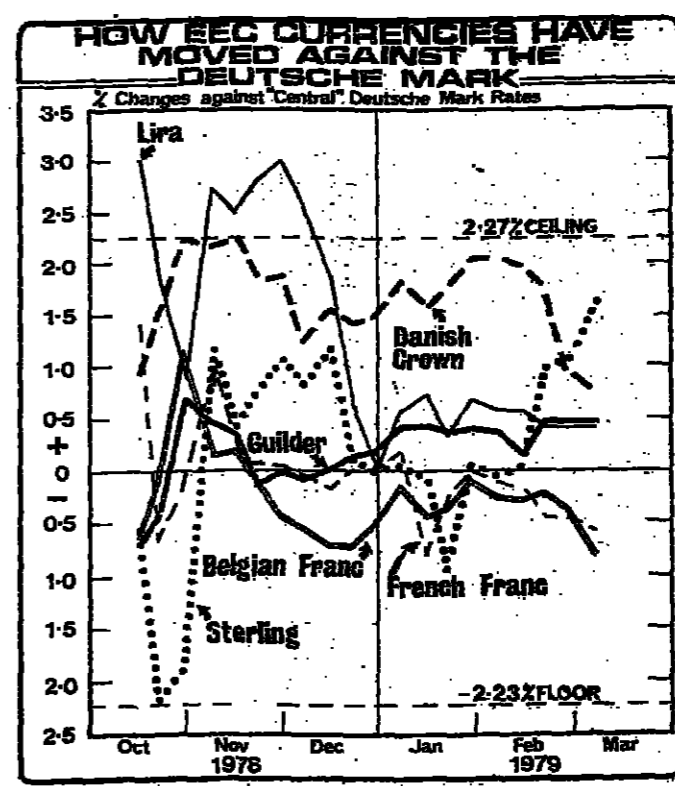
THE EUROPEAN MONETARY SYSTEM

A case of life before birth

BY DAVID MARSH

FOR SEVERAL months European currencies have been behaving exactly as if the European Monetary System—now expected to get under way next week after being stalled for more than two months—were already in operation.

The chart shows the movements of European currencies compared with their "central" rates against the Deutsche Mark. For the Dutch guilder, Belgian franc and Danish crown, these are the mid-point rates within the European currency "snake" set after the last DM revaluation last October. For Sterling, the Lira and the French franc, movements have been plotted on the basis of market rates against the D-Mark on the last trading day of 1978, which was planned as the base day for the operation of the EMS.



Since the start of the year all EEC currencies (including Sterling, which will not initially take part in the EMS intervention mechanism) have moved well within an overall 4.5 per cent band against the Deutsche Mark. More often than not they have been in the upper rather than the lower half of it.

However, the Board suggests that the divergence band once the EMS starts up, although Italy will probably be first to put a wider spread for the first time.

Dr. Umar Emminger, President of the Bundesbank, has

already spoken of a "de facto" EMS being in operation—but he did not mean that EEC central banks have been intervening quietly to hold their currencies within nominal limits against the D-Mark. In fact, there has been hardly any intervention over the last few months either within the EMS or by other EEC central banks to hold currencies in line with the D-Mark. (Rather, later intervention has been in other directions, with snake central banks buying D-Marks on the market over the last month or so to repay heavy debt obligations.)

tion to the Bundesbank: these have been reduced from DM 3.5bn just before the October Mark revaluation to around DM 1.1bn at the end of last month.

The French and German central banks are believed to have concluded a private agreement at the end of last year to lend support to the French franc if it looked like getting sharply out of line, but, as the chart illustrates, this has not been needed.

Why, then, have EEC currencies been so stable at a time when the revolution in Iran and the rising price of oil might otherwise have been expected to bring turmoil to exchange markets? The answer lies in the stability of the Dollar since the November U.S. support action was implemented. This has led to reversal of the large speculative movements of money into the D-Mark, Swiss franc and (especially) the Yen which took place towards the end of last year. It has indirectly boosted the "weaker" currencies such as the French franc and the Lira.

Over the last three years a pattern has developed within the "snake" system of pressures building up through such speculative currency movements every six months or so. Whether this trend will be maintained, leading to fresh unrest around the D-Mark later this spring, is a question which will be on the minds of EEC heads of government when they assemble in Paris next week to put flesh on the bones of the phantom EMS.

Call-up ends Barcelona strike

BY DAVID GARDNER IN BARCELONA

WORKERS IN Barcelona's Metro called off their strike yesterday after the Government published a decree drafting all underground railway employees into the army and thus subjecting them to military discipline. The decree followed representations in Madrid by the Civil Governor of Barcelona, the Government's chief executive in the province.

The last time Metro workers were placed under military discipline was in Madrid in January 1976 during the strikes which led to the downfall of the Government headed by Sr. Carlos Arias. The Franco regime's last Prime Minister and the monarch's first, Com. an "epoch" at a new conference here, he stressed that no election of Bonn was intended. West Germany, he said, could not be only 0.27 per cent of its GNP in 1977 to official development aid. This was well

the measure has caused profound discontent in the Catalan and Spanish labour movement. The Socialist General Workers' Union, meanwhile, is considering taking the matter to the International Labour Organisation (ILO), while other unions are discussing denouncing the measure in international courts.

The decree was made during a period of considerable industrial unrest. Bakery workers are on strike in Barcelona and chain store and textile industry workers are on strike in Barcelona—where they number about 240,000—and in the rest of Spain. The break-down of negotiations between employers and the unions has led to a "social dialogue" organisation FTA had kidnapped Sr. Luis Abaita, the managing director, who was freed last week.

days, pickets have been arrested, and some Catalan textile employers have locked their workers out. The lack of adequate channels for collective bargaining has become increasingly apparent since unions and employers failed to reach agreement on a social contract to replace the provisions of the "Moncloa pact". The Government instead introduced a decree last December imposing a wage ceiling of between 11 and 14 per cent.

McNamara seeks more Bonn aid

BY ROBERT BOYES IN BONN

MR. ROBERT McNAMARA, the World Bank president, yesterday urged West Germany, Japan and the U.S. to increase their relatively small official aid programmes as soon as possible. The appeal followed a day of talks about the World Bank with Chancellor Helmut Schmidt and Herr Rainer Offergeld, the Development Aid Minister.

below the internationally agreed target of 0.7 per cent, and even less than the average already achieved by member countries of the Organisation for Economic Co-operation and Development. West Germany, which depends heavily on imports of raw materials, should be prepared to make sacrifices now if only to secure a better future economic relationship with the Third World. Although Mr. McNamara raised the level of West German private sector investment in the developing world, he said it was no substitute

for a substantial official aid programme. Bonn, when under fire for its official programme, frequently points to the large volume of private transfers between West Germany and the developing nations. The Bundesbank recently maintained that the combination of official aid and private payments from 1974 to 1977 averaged a respectable 1.1 per cent of GNP.

Mr. McNamara argued yesterday, however, that such private transfers only rarely benefited the less developed countries—like Upper Volta, Mali and Bangladesh.

Demand for Luns inquiry is rejected

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Parliament yesterday rejected a call for a Government investigation into the membership of Mr. Joseph Luns, NATO Secretary-General, in a pro-war Dutch Nazi organisation. The Government opposed this on the grounds it would only throw up "assumptions and half-truths". Mr. Dries, an Agt, the Prime Minister, said.

Mr. Luns confirmed in a letter to the Government his earlier suggestion that a brother had entered him as a member of the National Socialist Movement (NSB) in 1933. The same brother removed his name from the list three years later when Mr. Luns made it clear he did not want to be associated with the NSB, he added.

The Government was also criticised during the debate for allowing the Institute for War Documentation, which comes under the Education Ministry, to disclose details of Mr. Luns' past.

Portugal to exploit energy resources

BY JIMMY BURNS IN LISBON

THE PORTUGUESE Government is to set aside Es 34.3bn (£57m) of investment to develop Portugal's natural energy resources and to exploit the country's mineral deposits. But it has accepted a proposal from Senor Alvaro Barreto, the Portuguese Minister for the country's major industrial projects, the national steel plan and the second phase of the petro-chemical complex at Sines—which between them aim to

Poor start at Swiss hotels

By John Wick in Zurich

SWISS HOTELS have suffered their worst start to the year since 1966, with the total of 2.1m overnight stays in January, 16 per cent down from the same month of 1978. The drop was due largely to a 22 per cent decline in foreign guests in terms of hotel stays, though there were also 6 per cent fewer Swiss guests.

Portugal to exploit energy resources

draw on a total investment of nearly Es 47bn—should be reassessed. This would be in line of the moderate target set by the Government for economic growth and the short-term future of the international market. Industry sources, however, are insisting that the shelving of either or both of these two major schemes is extremely unlikely and that a firmer commitment from the Government is expected within the next month.

The Government's latest classification of its short-term investment policies was made during a lengthy Cabinet meeting on Wednesday night. The council, an advisory body composed of representatives from the unions, political parties and private and public sectors, claimed that the Government's overall investment plan, published last month, was too ambiguous.

Guy de Jonquieres, Common Market Correspondent, recently in Stockholm, on Swedish-EEC relations

A worrying feeling of isolation

ON THE face of it, Sweden has made a reasonable recovery from the world-wide recession which followed the 1973 oil price increase. Its economy grew by 2.5 per cent in real terms last year, a figure comparable to that in several Common Market countries, and the official unemployment rate has been held down to an astoundingly low 2.5 per cent. Inflation was a little over 7 per cent and is officially forecast at 6.6 per cent this year, while the trade balance moved back into a surplus of almost \$1bn.

Yet despite these modestly encouraging trends Sweden's industrialists are distinctly uneasy about the future. They complain that the apparent buoyancy of the economy is artificial, the result of injecting large sums of public money into job maintenance schemes and the financing of production for inventory. They are worried that the feather-bedding has only delayed an inevitable slowdown in less efficient sectors and that in the meantime their international competi-

tiveness will continue to be eroded by steadily rising costs. Most of all they are concerned about how Sweden, as a small neutral country, will fare in the longer-term in a world that is becoming organised increasingly into large trade blocs with strong tendencies towards protectionism. After almost 30 years of steadily-increasing post-war prosperity based on access to an open international trading system, Swedish companies are afraid of being left out in the cold. According to Mr. Hans Stahl, president of Alfa-Laval and chairman of the Federation of Swedish Industries, "We are sometimes doomed and are becoming isolated from our most important markets."

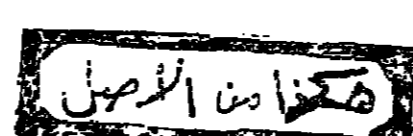
In recent months both industry and the minority Liberal Party Government have been looking increasingly to the Common Market in the hope that it can serve as a haven from troubled international economic water. The EEC already buys about half Sweden's annual exports of SKr 79.6bn (\$18bn). For its part, Sweden is the Community's third highest market after the U.S. and Switzerland. It purchased goods worth SKr 38.6bn from EEC countries in 1978, accounting for more than half its worldwide imports.

The main formal link is a trade agreement negotiated in 1972 and broadly similar to the accords concluded by Brussels with other EFTA countries. Since mid-1977, the bulk of merchandise trade in both directions has been free of duties. The two main exceptions are Sweden's steel exports, which are subject to the Community's external minimum price arrangements and a voluntary commitment to observe "traditional patterns" of trade, and pulp and paper, which are allowed into the Community tariff-free only

up to specified ceilings. The EEC is due to eliminate tariffs on these products completely in 1980 and 1984 respectively. The Swedes were joined when the EEC first introduced curbs on steel imports in 1977, but they now claim to be reasonably satisfied with the working of the agreement. However, there is a growing feeling in both Government and business circles that the agreement as it stands does not go far enough and that additional measures are needed to improve competition and cooperation with Brussels.

Last month, Ministers and leading industrialists put their views to Viscount Euenne Davignon, the EEC Industry Commissioner, when he visited Stockholm. He responded with positive reassurances that the Community would continue to pay close attention to Sweden's economic and commercial interests, but the talks yielded no concrete decisions. In part, the inconclusive outcome reflected the practical difficulty of putting flesh on the bones of EEC-Swedish relations. Many business leaders admit that they would like Sweden to apply for full EEC membership. But in the same breath they concede that this is out of the question. The possibility was decisively rejected several years ago, and any attempt to revive it would run immediately into hostile objections that it would compromise the country's much prized neutrality. As one official aide admitted, the EEC itself would survive.

At the same time, the prospective admission of Greece, Portugal and Spain to the EEC is viewed with rather mixed feelings in Stockholm. Officially, and no doubt sincerely, the Government welcomes the future enlargement of the Community because it is expected to underpin democracy in the three countries. But it also fears that the community will become bogged down in the practical problems of integrating three new Mediterranean members that will have little time to spare for its neighbours to the North. There is much talk in Stockholm about developing co-operation with the EEC on industrial policy. Government and business leaders appear convinced that it will have little time to spare for its neighbours to the North. There is much talk in Stockholm about developing co-operation with the EEC on industrial policy. Government and business leaders appear convinced that it will have little time to spare for its neighbours to the North. There is much talk in Stockholm about developing co-operation with the EEC on industrial policy. Government and business leaders appear convinced that it will have little time to spare for its neighbours to the North.



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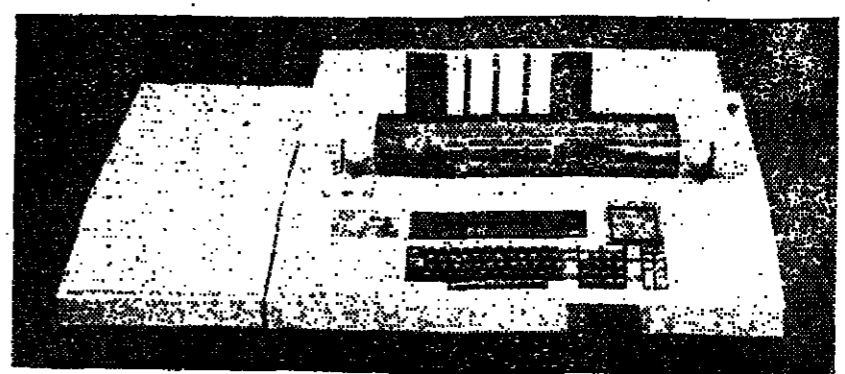
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OUR BUSINESS IS BUSINESS

Spain leaves OECD pact on shipbuilding credits

BY TERRY DODSWORTH IN PARIS

CHANGES IN the credit system used by the Western world's shipbuilding nations are almost certain to follow Spain's decision to withdraw from the non-binding agreement which governs the industry.

Talks at the OECD's shipbuilding working group in Paris broke up yesterday with an agreement to meet again in about three weeks' time for a further discussion of the credit issue. Members are anxious to reach a conclusion because of fears that any further delays may cause the industry's fragile order books to crumble still further. There is evidence at the moment of shipowners delaying new contracts in the hope of improved credit conditions.

At the same time, Mr. Albert Grubel, chairman of the working group and Swiss Ambassador at the OECD, made it clear yesterday that the ship-building countries were hoping to keep Spain within the lines of the understanding. This will occur automatically for the next few weeks, since Spain is bound by the understanding for a 3-month period after its decision to resign. But clearly if Spain is to be kept in afterwards the other nations will have to move in the direction it is advocating.

The question is how wide-spread the support for Spain's policy of cheaper export credits will be. Although several countries would like to see an easing of the rates applied

under the understanding—a minimum interest rate of 8 per cent over seven years on up to 70 per cent of the vessel's value—others are less certain about the effects of a change on order books.

An alteration is also likely to be costly. Spain, for example, is advocating a 0.5 per cent cut in the minimum interest rate, a rise of 10 per cent to 80 per cent in the order value which can be covered by a loan and an extension of 1½ years in the repayment period.

Such measures could cause some political embarrassment in countries where credits have to be built into national budgets and come under full public scrutiny—as in Germany, the Netherlands and the UK.

Krupp wins \$200m Brazilian contract

By Jonathan Carr in Bonn

KRUPP-KOPPERS OF Essen, part of the diversified Krupp concern, has won an order from Brazil for design and construction of a plant for coal gasification. The total value of the project, in which local Brazilian industry will also have a share, is put at about \$200m.

The contract for the plant, to be constructed at San Jeronimo in the state of Rio Grande do Sul, has just been signed between Krupp-Koppers and Petrosas, the Brazilian Government-owned oil company.

The object of this particular plant will be to convert bituminous coal with a high ash and sulphur content into gas. The gasification process being used is the so-called Koppers-Totzek process.

British exporters hit by strength of sterling

BY LORNE BARLING

BRITISH EXPORTERS are seriously concerned about the continuing strength of sterling on their export competitiveness, rating the problem as highly as wage awards in the UK which are outstripping those of foreign competitors.

Although the currency problem is more serious for companies exporting to the U.S. and for internationally price-sensitive sectors such as chemicals and textiles, its long-term implications are worrying.

According to both the Con-

federation of British Industry and the British Overseas Trade Board, exporters also regard currency instability as damaging to their efforts overseas, although many companies regard it more as an inconvenience.

In manufacturing in general the consensus was that companies must reconcile themselves to a stronger pound and place more emphasis on quality, design and market suitability in particular.

According to recent surveys, there is no real evidence that currency fluctuations have a damaging effect on capital investment, although the lack of investment is considered to be the cause of Britain's lack of competitiveness in some product areas.

On the other hand, many companies do believe that a stronger, more stable currency will have the effect of holding down wage increases, which in terms of unit labour costs went up by 13 per cent last year—about twice the OECD average.

Japan fails to reach \$4bn import target

TOKYO—Japanese imports under an emergency scheme to cut Japan's trade surplus will reach about \$2.79bn for fiscal 1978 ending this month, below a target of at least \$4bn, International Trade and Industry Ministry officials said.

Emergency imports, financed by low-interest foreign-currency loans from the semi-official Export-Import Bank of Japan, totalled \$2.2bn at the end of January, they said.

About \$500m are expected to be spent by the end of this month on buying abroad for leasing overseas and ships, they said.

Imports so far implemented included \$1bn advance payment for uranium enrichment services, \$322m on aircraft for leasing abroad, \$282m of ships, \$41m of trucks, \$100m for stock-piling aboard idle tankers, \$65m of pelletised iron ore, \$37m of uranium concentrates, and \$25m of chrome and nickel.

Rapid rise in aircraft sales

By Michael Donne, Aerospace Correspondent

THE WORLD'S airlines are now buying new aircraft at a much faster rate than a year ago, despite concern over fuel supplies, and rising costs.

Mr. Bruce N. Torell, president of Pratt and Whitney, the biggest aero-engine builder in the world, said that orders for the company's engines so far this year were more than double those in the same period of 1978.

Recent major airline decisions in favour of P. and W. engines were those by Scandinavian Airlines System for its European Airbus, Japan Air Lines for its five recently ordered Boeing 747s

Iran military equipment

BY JAMES BUXTON

IRAN WILL continue to need outside help in servicing the \$1.5bn worth of British military equipment it possesses if it is not to go to waste. International Military Services, the defence supply and support company belonging to the Ministry of Defence which has been operating in Iran, does not discount the possibility of returning there.

This was stated yesterday by Brig Douglas Templeton, a director of IMS, at a conference on commercial openings resulting from UK/Middle East defence contracts. Currently IMS has withdrawn its personnel from Iran and, as with other British defence con-

tractors, the future of its contracts is unclear.

But the revolution in Iran had made IMS looked harder for defence support contracts elsewhere in the Middle East, Africa and Asia, and was not expecting contracts nearly as large as those in Iran. "We are less biased than we used to be about contracts of less than \$50m," Brig Templeton said.

He told the conference, organised by the CBI and the Middle East Association, that too often individual British companies competed with each other for defence contracts in the same country. Other arms exporting companies avoided doing this, he said.

Germany leads in machinery exporting

By Guy Hawtin in Frankfurt

WEST GERMANY is the world's leading machinery exporter. Figures for 1977—the latest available—show that the Federal Republic controls 20 per cent of the world's export deliveries.

In second place is the United States; its market share standing at just under 18.5 per cent, according to statistics from a study produced by the Verein Deutscher Maschinenbau-Anstalten (VDMA), West Germany's mechanical engineering trade association.

S. Korea urged to drop subsidies

BY CHARLES SMITH IN SEOUL

SOUTH KOREA was "invited" to subscribe to a proposed GATT code on the phasing out of export subsidies by a high-level mission from the EEC which left Seoul yesterday after a three-day visit.

The mission, led by Mr. Manfred Caspari, of the Commis-

sion's External Relations Directorate, warned South Korean officials that failure to subscribe to the code could invite retaliatory action against South Korean exports from the U.S. A decision to subscribe would involve entering into a commitment to remove existing export subsidies over a period of years.

The Caspari mission received no hint from South Korea as to whether or not it would accept these conditions. South Korea can arguably be said to subsidise its exports since export finance is available to South Korean companies at rates of interest far below normal market levels.

UK in China sugar plant talks

BY TERRY OGG

TOP LEVEL teams from two UK trading groups, Booker McConnell and Tate and Lyle, are currently in China discussing projects aimed at modernising China's sugar industry.

Through a joint venture company, UK Sugar Systems, the two companies will pitch for contracts to build four sugar

factories—two cane and two beet—worth around £40m each, capable of producing between 4,000 tonnes and 5,000 tonnes of sugar a day. They have also organised a seminar in Canton on new developments in technology for utilising sugar by-products to yield sugar-based chemicals.

The initiative follows a trip by Booker's chairman, Sir George Bishop and the chairman of Tate and Lyle, Earl Jellicoe, to China with Lord Roll's mission in September last year.

The Chinese sugar industry is relatively backward. Total consumption is only 5m tonnes a year which works out at about 4kg of sugar for each Chinese citizen. About 1m tonnes of beet sugar is produced every year and around 3m tonnes from cane. The remaining 1m tonnes is imported. It appears most of its exports since export finance is available to South Korean companies at rates of interest far below normal market levels.

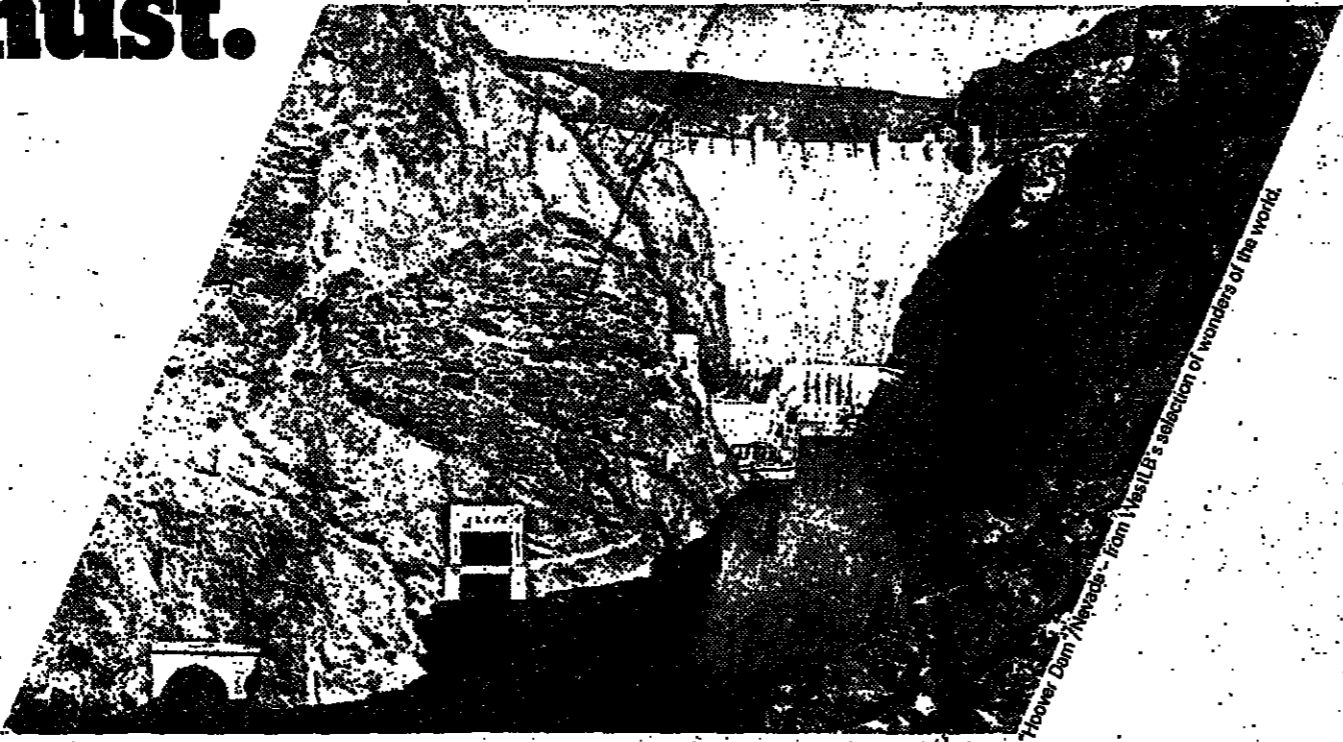
Indian fines threat

Indian exporters supplying low-quality products face imprisonment and stiff fines, writes K. K. Sharma from New Delhi. This has been decided by the Government in its bid to improve India's image abroad and export performance which has been flagging in the past year. The punishment is imposed by the part of the Export Quality Control and Inspection Bill to be introduced in Parliament during its current session. Errant exporters face imprisonment up to three years and a fine of ₹50,000 (about £3,250).

Textile machinery

Ernest Scraggs and Sons, one of the textile machinery divisions of Stone-Platt Industries, has finalised contracts worth \$11.4m with a West Europe manufacturer, Gallean Tomney writes. Over the next few months Scraggs will begin delivery of high speed dry-texturing machinery for polyester and fine denier nylon. The company declined to reveal the name of the customer as supply of the high-production machinery will involve redundancies and re-structuring in the highly-competitive industry.

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BAT re-opens market

BY OUR CONSUMER AFFAIRS CORRESPONDENT

BRITISH-AMERICAN Tobacco announced yesterday that it was to re-open exports of its international brands of cigarettes to China.

The agreement follows a recent visit to China by a delegation of BAT executives headed by Mr. Trevor Tice, the group's European co-ordinator.

The deal is to supply a variety of BAT's international brands from the U.S., Germany, and UK, including BAT's own State Express 555 brand and John Benson and Hedges and John Player brands which it exports

for other UK cigarette companies.

BAT emphasised that the agreement was only for "initial quantities" and that it hoped for increased sales in the long term. China was for many years BAT's largest overseas market and the company hopes that this will give it the edge over competition from other manufacturers in capturing the potentially vast Chinese market.

China itself exports substantial quantities of tobacco leaf and it has also asked BAT's technical specialists to advise of developing its production.

Plant for Sudan

A contract valued at over £m for installation at the Masso Cement plant, Athara, of a 20 km monocoable ropeway has been awarded to Ropeway Engineering (Copper-Neil Group), of Sevenoaks, Kent, by Sudan's Building Materials and Refractories Corporation. The order, which includes site services, civil engineering, erection and commissioning, is the largest ever placed for a single industrial monocoable ropeway.

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Japan to reach \$4bn target

February a better month for cars

BY LISA WOOD

CAR PRODUCTION, which was considerably held back by the haulage dispute in January, increased steadily last month. Provisional statistics published yesterday show that seasonally adjusted output of cars in the four weeks ending February 24 was 103,000—an increase on January production figures of more than 9 per cent, but well below the 112,000 cars produced in the same period last year.

With the market still running at the same high level as last year car makers may face even higher imports.

The whole of the last quarter of 1978 was affected by the nine-week Ford dispute, and monthly production fell from 111,000 in September to 79,000 in October, 53,000 in November and 93,000 in December which was a five-week month.

Commercial vehicle production improved in February as its fairly high January level. The seasonally adjusted output was 37,800, surpassing the best months last year when more than 36,000 commercials were produced.

Pollution fears bring new move to shut Sullom Voe

BY RAY PERMAN, SCOTTISH CORRESPONDENT

OIL COMPANIES with a share in the Sullom Voe terminal were told yesterday that the Shetland Islands Council would consider closing it temporarily unless tougher measures were taken to stop pollution of beaches.

The council, which is port authority for the islands, is concerned about tankers discharging dirty ballast water as they approach Shetland from the north-east.

Tar has been washed up on beaches and oil slicks have

been sighted at sea. Farmers and fishermen are worried about the effect on their livelihoods. The Royal Society for the Protection of Birds says that 6,000 birds have been killed.

Sullom Voe is an important link in the North Sea oil system. Crude is brought ashore by two pipelines from the Ercat and Nulna field systems. Closure, even for a short period, would seriously affect the revenues of the companies.

Shortly after the official opening of the terminal in January there was a big oil spill when a tanker was holed and 1,000 tonnes of marine diesel fuel escaped, soiling beaches.

Since then the main problem has been that discharge facilities to take ballast water from tankers have not been in use, and some captains, anxious to load as much crude oil as possible, have discharged oily ballast water into the sea before reaching the terminal.

It is illegal for ships to flush their tanks within 50 miles of land, but outside the port area at Sullom Voe it has proved difficult to enforce this regulation.

Mr. Raymond Bentley, an Islands councillor, said that it might be necessary to close the terminal temporarily to enforce more stringent anti-pollution measures. If nothing had been done, the council would consider this at its next meeting in April.

Cavenham magazine will be called Now

By Max Wilkinson

THE NEWS magazine which Sir James Goldsmith, head of Cavenham Foods intends to launch in September will be called Now, it was announced yesterday.

It will consist of about 130 glossy pages, half in colour, and will be published probably on Fridays.

Yesterday, Mr. Anthony Shrimley, editor in chief, said the magazine would cover business, the arts, political comment and place a strong emphasis on colour photography.

He said that the magazine has been assured of financial support for a considerable period.

The magazine will have 60 editorial staff and among those recruited so far are Patrick Hutter, of the Sunday Telegraph, who will be assistant editor in charge of business coverage, and Mr. Brian Hitchens, the present news editor on the Daily Express, who will be assistant editor.

Other journalists on the magazine include: Mr. Christopher Dobson and Mr. Ronald Payne, investigative reporters on the Sunday Telegraph, Mr. Edward Pearce, leader writer on the Daily Express, Mr. William Norris, former parliamentary correspondent of The Times

Companies clause divides MPs

BY ANDREW TAYLOR

THE COMMONS Standing Committee on the Companies Bill remained strongly divided yesterday on the wording of a clause which would allow workers to take company directors to court for failing to take due regard of employee interests.

The clause, which is facing a number of wide-ranging amendments, has aroused fierce opposition from Conservative MPs who say it could lead to serious conflicts of interests with directors having to pay regard to company, shareholder and employee interests.

Labour back-benchers, led by Mr. Ian Mikardo, MP for Tower Hamlets, Bethnal Green and Bow, were yesterday strongly critical of a Government amendment which they say weakens the clause.

Mr. Michael Meacher, Under-Secretary for Trade, said the Government did not intend the clause to be used for solving industrial disputes.

He envisaged the clause would be triggered only in blatant cases where directors had completely ignored the interests of employees. It was designed to redress an imbalance between the rights of shareholders and employees.

Mr. Cecil Parkinson, Conservative MP for Hertfordshire

South, said the wording of the Government amendment was unfair because shareholders would not have the same redress to the courts as employees.

He said there was already a large amount of legislation dealing with employee interests and said it was completely wrong to suggest that workers were utterly defenceless in the face of company directors. If anything, the imbalance between shareholder and worker had very much swung in favour of employees.

Mr. Parkinson said the clause would mean that virtually every management decision would be open to debate. He said the clause could even damage the interests of the works it sought to protect.

Mr. Meacher had earlier refuted claims that industry would face a barrage of legal actions as a result of the clause. Fears that industry would be paralysed were groundless, he said.

He said it was not Government policy that industrial disputes should be solved in the courtrooms. There were more appropriate ways of dealing with disputes, but it was, however, unacceptable that directors should have no obligation to take due regard to workers interests.

Probe likely in concrete industry

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE READY mixed concrete industry is expected to be investigated shortly by the Monopolies and Mergers Commission.

The Office of Fair Trading confirmed last night that Mr. Gordon Borrie, director-general of Fair Trading, had written to several of the leading ready mixed concrete companies asking for their comments on the proposed probe.

If Mr. Borrie decides to go ahead and refer the industry to the Commission, the companies' comments will be taken into account when drawing up the terms of reference for the inquiry.

The Ready Mixed Concrete Company said last night that it had been asked to comment on "whether a monopoly situation exists in favour of any suppliers of ready mixed concrete

in the UK and, if so, whether it operates or may be expected to operate against the public interest."

If the investigation goes ahead, then it is likely to take at least two years for the Commission to complete its report. The proposed investigation follows the discovery over the past two years of a number of restrictive trade practices in the ready mixed concrete industry. However, these agreements have been abandoned following their disclosure.

The Monopolies and Mergers Commission is also to investigate the supply in the UK of tampons used for sanitary protection. The £14m a year market is dominated by Tampax, with some 62 per cent of the market, and Southalls of Birmingham with the remaining 38 per cent.

Building society chiefs unlikely to change rates

BY EAMONN FINGLETON

THE BUILDING Societies Association council is expected to recommend no change in interest rates at its March meeting today.

Following the gills boom of the past three weeks, pressure on the movement to raise its rates subsided. Building society leaders believe the present rates structure—11½ per cent for most mortgages and 8 per cent for savings—is right for the foreseeable future.

Last week's one point cut in bank rate was the confirmation of a movement needed that would short-term interest rates are likely to continue for some time.

The industry has been cheered by a smaller-than-feared drop in

net receipts last month. According to estimates by the Nationwide Building Society, the industry's net receipts totalled between £230m and £240m, compared with £289 in January.

The industry needs about £350m a month to satisfy mortgage demand without dipping into reserves of liquid funds.

Mr. Joe Bradley, general manager of the Nationwide, said: "March has begun very well and we are hoping the industry's total net receipts should improve between £300m and £350m."

"We are encouraged by the big inflows of money from small savers. People's real incomes have risen greatly and are still rising but their spending has yet to catch up."

Lords reject council house purchase case

N EIGHT-YEAR legal battle Mr. Robert Gibson for the right to buy his council house in Manchester ended in defeat yesterday.

By a unanimous decision, the House of Lords held that there was no binding agreement between Mr. Gibson and Manchester Corporation for the sale of his house in Charlesworth Road, Blackley.

Mr. Gibson's action was a test case which will affect the rights of 350 other tenants whose plans to buy their homes were blocked when Labour took control of the council from the Conservatives in 1971.

Mr. Gibson won the first round of his action at Manchester County Court when a judge ruled that he had a binding contract and could buy his house at the 1971 price of £2,180. He also won by a 2-1 majority in the Court of Appeal in January last year.

The council had agreed to pay all the legal costs of the case as a condition of being allowed to appeal to the Lords.

Lord Edmund-Davies said: "This is indeed a hard case for Mr. Gibson, who had long wanted to buy his house and had every reason to think he would shortly be doing so on distinctly advantageous terms until the corporation's bombshell announcement of their change of policy."

Lord Fraser of Tullybelton, Lord Russell of Killowen and Lord Keith of Kinkel agreed in upholding the corporation's appeal.

Mr. Gibson, aged 66, was employed by Manchester City Corporation for 16 years and had been a tenant since March, 1959.

In his judgment, Lord Diplock said that, in February, 1971, the council wrote to Mr. Gibson stating the price at which "the corporation may be prepared to sell the house to you," and inviting him "to make formal application to buy."

Mr. Gibson accepted, but in May that year control of the council changed and the council house selling scheme was suspended.

Lord Diplock said it was impossible to construe the council's letter as a contractual offer capable of being converted into a legally enforceable open contract by Mr. Gibson's acceptance.

CONTRACTS

Isis Plant places order for compressor units

Isis Plant has placed an order valued at over £332,000 with HYDROVANE for the supply of 17 portable compressor units.

An order worth over £200,000 has been won by GEO. BRAY AND COMPANY from Super-Ser for the supply of oxygen analyser pilot and main burner injectors, together with thermocouples and valves with flame failure attachment.

ELLIOTT GROUP of Peterborough has received orders worth £190,000 from the Department of the Environment for the construction of residential and office accommodation at Alderbrook, Northern Ireland, and Rath.

Contracts worth more than £1.2m have been won by HADEN BOUNG. Largest worth £600,000, installing air conditioning, heating and ventilation in Strathclyde University's new library in the former Collins publishing house in Cathedral Street, Glasgow.

Two major orders for kiln plant, together worth about 500,000, have been won by BRAYTON KILN COMPANY. A new 90-metre-long glost muffle kiln, together with extensions to

an existing biscuit kiln and dryer, have been ordered by H. and R. Johnson (Malaysia) as part of a major expansion programme at the Selangor tile factory. The second order, from Redbank Manufacturing of Measham near Burton-on-Trent, is for two 61-cubic-metre truck-type shuttle kilns.

S. WERNICK AND SONS has received orders worth over £120,000 for buildings including classroom units for the London Borough of Hounslow, a maternity ward for the Walsall area health unit, and an L-shaped office block for the United Kingdom Atomic Energy Authority's northern division at the Dounreay nuclear establishment in Caithness.

HUMPHREYS AND GLASGOW has been awarded a £9m contract by Kodak for a synthetic chemicals plant at Kirby, Liverpool. In addition to the production building, there are adjoining service and warehouse facilities.

The English Industrial Estates Corporation has placed a contract worth about £122,500 for site development works at an advance factory at Anclon Mart, Walsley, with J. G. GREEN AND SONS

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Spain leaves OECD pact on shipbuilding credits

BY TERRY DODSWORTH IN PARIS

CHANGES IN the credit system used by the Western world's shipbuilding nations are almost certain to follow Spain's decision to withdraw from the non-binding agreement which governs the industry. Talks at the OECD's shipbuilding working group in Paris broke up yesterday with an agreement to meet again in about three weeks for a further discussion of the credit issue. Members are anxious to reach a conclusion because of fears that any further delays may cause the industry's fragile order books to crumble still further. There is evidence at the moment of shipowners delaying new contracts in the hope of improved credit conditions.

At the same time, Mr. Albert Gruebel, chairman of the working group and Swiss Ambassador at the OECD, made it clear yesterday that the shipbuilding countries were hoping to keep Spain within the lines of the understanding. This will occur automatically for the next few weeks, since Spain is bound by the understanding for a 3-month period after its decision to resign. But clearly if Spain is to be kept in afterwards the other nations will have to move in the direction it is advocating. The question is how widespread the support for Spain's policy of cheaper export credits will be. Although several countries would like to see an easing of the rates applied

under the understanding—a minimum interest rate of 8 per cent over seven years on up to 70 per cent of the vessel's value—others are less certain about the effects of a change on order books. An alteration is also likely to be costly. Spain, for example, is advocating a 0.5 per cent cut in the minimum interest rate, a rise of 10 per cent to 30 per cent in the order value which can be covered by a loan and an extension of 1½ years in the repayment period. Such measures could cause some political embarrassment in countries where credits have to be built into national budgets and come under full public scrutiny—as in Germany, the Netherlands and the UK.

Krupp wins \$200m Brazilian contract

By Jonathan Carr in Bonn

KRUPP-KOPPERS OF Essen, part of the diversified Krupp concern, has won an order from Brazil for design and construction of a plant for coal gasification. The total value of the project, in which local Brazilian industry will also have a share, is put at about \$200m. The contract for the plant, to be constructed at San Jeronimo in the state of Rio Grande do Sul, has just been signed between Krupp-Koppers and Petrosas, the Brazilian Government-owned oil company. The object of this particular plant will be to convert bituminous coal with a high ash and sulphur content into gas. The gasification process being used is the so-called Koppers-Totzek process.

British exporters hit by strength of sterling

BY LORNE BARLING

BRITISH EXPORTERS are seriously concerned about the continuing strength of sterling on their export competitiveness, and for internationally price-sensitive sectors such as chemicals and textiles, its long-term implications are worrying. According to both the Con-

federation of British Industry and the British Overseas Trade Board, exporters also regard currency instability as damaging to their efforts overseas, although many companies regard it more as an inconvenience. In manufacturing in general, the consensus was that companies must reconcile themselves to a stronger pound and place more emphasis on quality, design and market suitability in particular. According to recent surveys,

there is no real evidence that currency fluctuations have a damaging effect on capital investment, although the lack of investment is considered to be the cause of Britain's lack of competitiveness in some product areas. On the other hand, many companies do believe that a stronger, more stable currency will have the effect of holding down wage increases, which in terms of unit labour costs went up by 13 per cent last year—about twice the OECD average.

Japan fails to reach \$4bn import target

TOKYO—Japanese imports under an emergency scheme will cut Japan's trade surplus to reach about \$2.7bn for fiscal 1978 ending this month, below a target of at least \$4bn. International Trade and Industry Ministry officials said. Emergency imports, financed by low-interest foreign currency loans from the semi-official Export-Import Bank of Japan, totalled \$2.2bn at the end of January, they said. About \$500m are expected to be spent by the end of this month on buying aircraft for leasing overseas and ships, they said. Imports so far implemented included \$1bn advance payment for uranium enrichment services, \$322m on aircraft for leasing abroad, \$263m of ships, \$413m of crude oil for stockpiling aboard idle tankers, \$85m of pelletised iron ore, \$87m of uranium concentrates, and \$29m of chrome and nickel. Reuter

Rapid rise in aircraft sales

By Michael Donne, Aerospace Correspondent

THE WORLD'S airlines are now buying new aircraft at a much faster rate than a year ago, despite concern over fuel supplies, and rising costs. Mr. Bruce N. Torell, president of Pratt and Whitney, the biggest aero-engine builder in the world, said that orders for the company's engines so far this year were more than double those in the same period of 1978. Recent major airline decisions in favour of P and W engines were those by Scandinavian Airlines System for its European Airbus, Japan Air Lines for its five recently ordered Boeing 747s

Iran military equipment

BY JAMES BUXTON

IRAN WILL continue to need outside help in servicing the \$1.5bn worth of British military equipment it possesses if it is not to go to waste. International Military Services, the defence supply and support company belonging to the Ministry of Defence which has been operating in Iran, does not discount the possibility of returning there. This was stated yesterday by Brig. Douglas Templeton, a director of IMS, at a conference on commercial openings resulting from UK/Middle East defence contracts. Currently IMS has withdrawn its personnel from Iran and, as with other British defence con-

tractors, the future of its contracts is unclear. But the revolution in Iran had made IMS look harder for defence support contracts elsewhere in the Middle East, Africa and Asia, and was not expecting contracts nearly as large as those in Iran. "We are less blasé than we used to be about contracts of less than \$50m," Brig. Templeton said. He told the conference, organised by the CBI and the Middle East Association, that too often individual British companies competed with each other for defence contracts in the same country. Other arms exporting companies avoided doing this, he said.

Germany leads in machinery exporting

By Guy Hawtin in Frankfurt

WEST GERMANY is the world's leading machinery exporter. Figures for 1977—the latest available—show that the Federal Republic controls 20 per cent of the world's export deliveries. In second place is the United States; its market share stands at just under 18.5 per cent, according to statistics from a study produced by the Verein Deutscher Maschinenbau-Anstalten (VDMA), West Germany's mechanical engineering trade association.

S. Korea urged to drop subsidies

BY CHARLES SMITH IN SEOUL

SOUTH KOREA was "invited" to subscribe to a proposed GATT code on the phasing out of export subsidies by a high-level mission from the EEC which left Seoul yesterday after a three-day visit. The mission, led by Mr. Manfred Caspari, of the Commis-

sion's External Relations Directorate, urged South Korean officials that failure to subscribe to the code could invite retaliatory action against South Korean exports from the U.S. A decision to subscribe would involve entering into a commitment to remove existing export subsidies over a period of years.

The Caspari mission received no hint from South Korea as to whether or not it would accept these conditions. South Korea can arguably be said to subsidise most of its exports since export finance is available to South Korean companies at rates of interest far below normal market levels.

UK in China sugar plant talks

BY TERRY OGG

TOP LEVEL teams from two UK trading groups, Booker McConnell and Tate and Lyle, are currently in China discussing projects aimed at modernising China's sugar industry. Through a joint venture company, UK Sugar Systems, the two companies will pitch for contracts to build four sugar

factories—two cane and two beet—worth around £40m each, capable of producing between 4,000 tonnes and 5,000 tonnes of sugar a day. They have also organised a seminar in Canton on new developments in technology for utilising sugar by-products to yield sugar-based chemicals.

The initiative follows a trip by Booker's chairman, Sir George Bishop and the chairman of Tate and Lyle, Earl Jellicoe, to China with Lord Roll's mission in September last year. The Chinese sugar industry is relatively backward. Total consumption is only 5m tonnes a

year which works out at about 4kg of sugar for each Chinese citizen. About 1m tonnes of beet sugar is produced every year and around 3m tonnes from cane. The remaining 1m tonnes is imported. It appears the Chinese Government is seeking additional sugar capacity to replace imports and increase the consumption levels. The British joint venture faces tough competition for a slice of the potential equipment and technology markets from sugar companies in France, Germany, the U.S. and Japan. Britain's prospects in China, Page 22

Indian fines threat

Indian exporters supplying low-quality products face imprisonment and stiff fines, writes K. K. Sharma from New Delhi. This has been decided by the Government in its bid to improve India's image abroad and export performance which has been flagging in the past year. The punishment is proposed to be part of the Export Quality Control and Inspection Bill to be introduced to Parliament during its current session. Errant exporters face imprisonment up to three years and a fine of ₹50,000 (about £3,250).

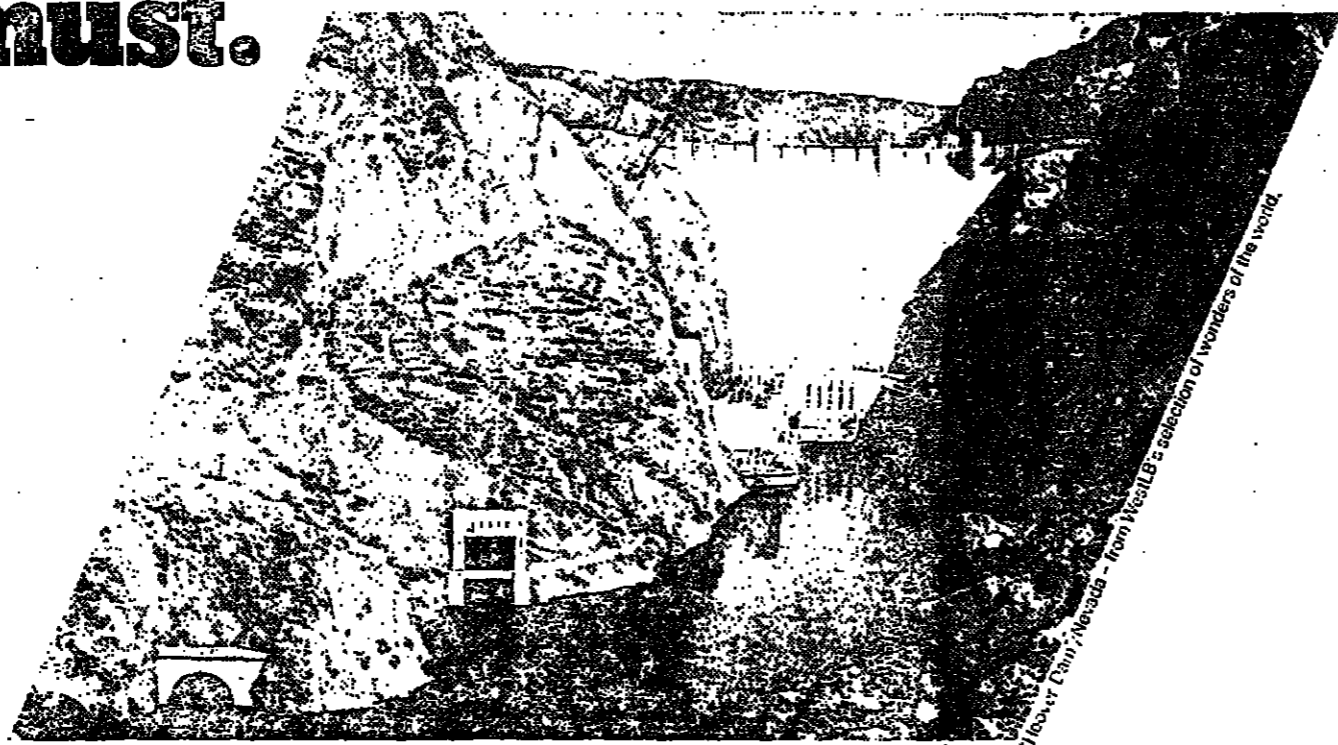
Textile machinery

Ernest Scragg and Sons, one of the textile machinery divisions of Stone-Platt Industries, has finalised contracts worth £11.4m with a West Europe manufacturer, Colleen Toomey writes. Over the next few months Scragg will begin delivery of high speed draw-texturing machinery for polyester and fine denier nylon. The company declined to reveal the name of the customer as supply of the high-production machinery will involve redundancies and re-structuring in the highly-competitive industry.

Plant for Sudan

A contract valued at over £3m for installation at the Maspio Cement plant, Atbara, of a 20 km monocoil aerial ropeway has been awarded to British Ropeway Engineering (Cape Town) Group, of Sennebogen, West Germany. Sudan's Building Materials and Refractories Corporation. The order, which includes site services for civil engineering, erection and commissioning, is the largest ever placed for a single industrial monocoil ropeway.

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مكتبة الشرق

Big mail users find first-class service adequate or better

BY JOHN LLOYD

LARGE MAIL users consider the postal service "not as bad as public criticism would lead one to suppose," according to a survey published yesterday by the Mail Users' Association.

The association comments that "the report as a whole is by no means unfavourable to the postal business."

However, it said that the Post Office was in danger of having a service that did not measure up to its marketing effort. That, rather than prices, might be the "main stimulus in the search for alternative forms of communication."

More than three quarters of those surveyed said that first-class service was adequate or better, and two-thirds thought the same of the parcel service.

However, more than half the respondents found second-class mail service poor or very poor. Four-fifths opposed replacement

of the second-class service by a single delivery staggered throughout the day.

Fewer than half thought that the continued abolition of large users thought that a 1p price rise on letters this year was reasonable. Almost as many would consider a 1p rise unreasonable.

The Post Office scored well on "customer relations," with 86 per cent of respondents believing that marketing staff were helpful; up from 68 per cent the previous year.

More than seven-tenths considered postal promotion effective, up from only 43 per cent in the previous year.

Portugal in talks to ease Gatwick congestion

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TALKS BETWEEN the UK and Portuguese Governments on the transfer of Portuguese air services from Heathrow to Gatwick airport were resumed yesterday.

Representatives of both governments and the Portuguese airline, TAP, visited Gatwick yesterday to inspect facilities there.

The UK Government's policy of transferring some passenger traffic from Heathrow to Gatwick, to ease congestion at the former airport, has run into difficulties in recent months, with all the foreign airlines approached adamantly opposing any move.

Talks with the Spanish authorities took place in January, and representatives of the Spanish Government and Iberia Airlines have visited Gatwick, but no decisions have been made.

Office permits decline reflects policy changes

FEWER OFFICE Development Permits were issued in 1977-78 than in the previous year but there was an increase in the gross floor area involved.

The figures reflect changing office development policy and an easing of the restrictions in some areas.

In the 12 months ending March 31 last year 156 permits were issued compared with 232 in the previous year. However, the gross floor area involved increased from 13.7m square feet to 15.5m square feet.

The decrease in the number of permits issued in 1977-78 and the increase in the average size of developments was partly due to the raising of the exemption limit in June 1977 from 15,000 square feet to 30,000 square feet.

The increase in the floor space involved, reflects the change in policy to favour the inner areas of London. This was designed to encourage a limited number of speculative office developments contributing to the regeneration of inner London areas.

£12m micro-chip fund for youth programme

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

INDUSTRIAL bodies are to join teachers' unions and local education authority representatives in controlling a £12m programme to develop young people's understanding of microelectronics, the Department of Education and Science announced.

The various bodies will form a committee to manage fund-distribution and staff-appointments for the programme, whose day-to-day operations will be run by an agency based on the Council for Educational Technology.

Report stresses value of 'infill development'

INNER CITY local authorities should take a closer look at the potential for renewed use of old sites by infill developments, said the advisory Environmental Board.

A working party's report, prepared by the Board for the Department of the Environment, stressed the importance of infill development in improving inner city areas and called on local authorities to "treat infill as a subject in its own right."

Promoting education about Europe

MORE THAN 50 educational interest groups—but not industrial representatives—are to form the United Kingdom National Conference for European Education.

The centre, which exists to promote teaching and learning about Europe throughout formal education, has similar national committees in Austria, Belgium, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, Sweden, Switzerland and West Germany.



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British Limbless Ex-Service Men's Association

GIVE TO THOSE WHO GAVE—PLEASE

Directors' Institute plans General Election lobby

BY LISA WOOD

THE Institute of Directors yesterday released a business leaders' manifesto "calling on the incoming government to act fearlessly against all obstacles to competition."

A copy of the booklet will be sent to every candidate in this year's General Election.

Election '79 — The Business Leaders' Manifesto, sets out a six-point plan for reforming industrial relations law, cutting personal tax liability to boost incentive and "rolling back the encroachment of the State on the country's commercial and industrial life."

Mr. Denys Randolph, the Institute's chairman, said this was the first time such an approach had been made by businessmen. The Institute represents 30,000 company directors whose companies employ more than 5m workers.

Mr. Randolph said: "We consider this election will be crucial in determining whether Britain continues to decline and to face rising inflation and unemployment, or whether she has a flourishing industrial and commercial sector which can sustain the rising living standards everyone has come to expect."

The Institute calls on the incoming government to promote a competitive economy by cutting back on State involvement,

Consumer Council backs Sunday shopping plan

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council yesterday gave its backing to parliamentary moves to change the law on Sunday shop hours in spite of ambiguous market research into shoppers' preferences.

The Council's move comes in advance of next week's House of Lords debate on a Bill to extend Sunday trading throughout the UK.

At present the law allowing certain shops to open for trade on a Sunday is full of anomalies which are "unfair to traders and inconceivable to consumers," says the council.

The laws restricting Sunday trading are unnecessary, openly flouted and cannot be properly enforced," claimed Mr. Maurice Healey, head of the council's consumer policy unit yesterday.

The council's view, has however, been weakened by a special poll of nearly 2,000 people—carried out by NOP Market Research—which showed that only 4 per cent of those surveyed wanted all day Sunday trading. But about a fifth of consumers surveyed wanted food and chemists shops to be open.

Aims lists 1,104 concerns involved in State network

BY JAMES McDONALD

A LIST 11 ft long, of 1,104 concerns which the State owns or has a stake in, is published today in a research paper by Aims, the free-enterprise organisation.

There are at least another 200 more companies which are inactive but still publicly owned, according to Mrs. Susan Warhurst, the author.

The list appears to be exhaustive, naming not only 100 per cent owned organisations but their subsidiaries and ancillary companies and itemising shareholdings.

Enterprises listed include hotels, safari lodges, travel agencies, advertising companies, stevedores, road materials producers, bridge builders, a "cottage trust," a football club, Scout Computer Services, up to British Leyland, and Cable and Wireless.

In a foreword to the booklet Mr. Michael Ivens, the Aims director, writes: "Companies could be driven to the point of collapse and the National Enterprise Board given unlimited funds so that it could take them over."

Still More Galloping Nationalisation: State Interest in British Industry. Published by Aims, 40 Doughty Street, London, WC1T, £2.10.



Mrs. Warhurst unfurls her list on the steps of the National Enterprise Board

Engineers join row over road conditions

Financial Times Reporter

CIVIL engineers yesterday joined the row over the state of Britain's roads in the wake of the worst winter for 18 years.

Mr. Jack Seeley, chairman of the Federation of Civil Engineering Contractors, said roads had been unable to withstand the snow and ice primarily because of years of neglect by local and central Government authorities.

"Properly maintained roads do not fall apart, whatever the weather," he told civil engineers in the Midlands. "For years we have been telling the politicians that neglected, cracked and potholed roads would suffer very expensive damage if we had a severe winter. Now it has happened and, of course, they are busily trying to pass it off as a natural disaster, completely outside their control."

Although politicians knew that the poor road surfaces, were causing more deaths and injuries and greatly increasing vehicle repair costs, they had turned a blind eye and preferred to support more vote-catching projects, he said.

Mr. Seeley's remarks echoed last month's statements, by the British Road Federation and the Automobile Association.

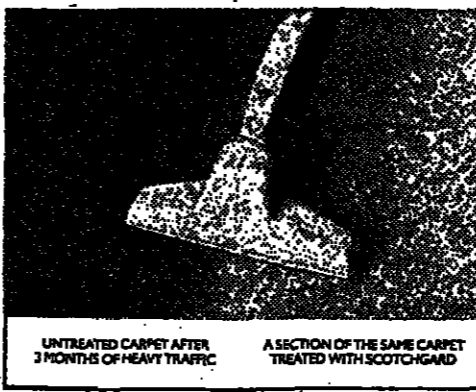


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UK NEWS - LABOUR

Hospital vote for pay offer

BY OUR LABOUR STAFF

THE EXECUTIVE of the National Union of Public Employees was rebuffed by ancillary staff members at the Westminster Hospital yesterday when a mass meeting voted by a large majority to accept the Government's pay offer.

The decision, by more than 300 domestic workers, porters, cleaners and cooks, brings to an end a work-to-rule for nearly two months in support of the public service unions' pay campaign.

Their union was the only one last Tuesday to recommend rejection of the latest pay offer to hospital ancillary workers, an unpopular decision with the other unions.

Mr. Jamie Morris, the hard-line branch secretary of NUPE who threatened earlier this week to black Mr. David Ennals, Social Services Secretary, as a patient at the hospital, said it was pointless for NUPE members to "go it alone" when the other unions had accepted the

9 per cent offer with 1 "on account" and a comparability study.

A legally enforceable minimum wage of two thirds of average male earnings is sought by a campaign launched yesterday, Wageline.

It is backed by a dozen MPs: Mr. Alan Fisher, NUPE general secretary; Mr. Frank Field, director of the Child Poverty Action Group; the Low Pay Unit; and the general secretaries of the agricultural workers' and bakers' unions.

Its object is to set a minimum wage—at present £80 a week at two-thirds of the national average—which would be above the so-called "poverty line" and which trade unions would have the right to enforce against employers through the courts.

The Council of the Royal College of Nursing at its meeting expressed anger at the Government's pay offer to nurses.

Editorial comment, Page 22

5,000 shut GEC plant after death of foreman

THE DEATH of a GEC foreman yesterday closed GEC's Power Engineering Complex, Stafford, when more than 5,000 workers walked out.

Mr. Dick Jenkinson was said to have died after being told to inform colleagues about redundancies. He had already been told that he was to be laid off.

After a mass meeting yesterday it was decided to send a delegation to see Sir Arnold Weinstein, chairman of GEC, about the redundancies.

Mr. Jenkinson, 55, had worked for GEC since he was 16. For 20 years he had been a senior foreman. Mr. Brewer said that he walked through the factory just after the news of Mr. Jenkinson's death. "Half the work-force were sitting down crying."

ANOTHER 95,000 WORKERS JOIN PAY QUEUE

Electricians offered 9% deal

BY PAULINE CLARK, LABOUR STAFF

ANOTHER 9 per cent pay offer was made to a group of public sector workers yesterday at the resumption of pay talks covering some 95,000 manual workers in the electricity supply industry.

Leaders of the four unions in the industry raised a number of objections to the terms of the offer, however, and talks were adjourned for a month to allow more time for both sides to consider their positions.

The unions will probably want to see the results of the miners' pay negotiations before settling on a deal.

Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union and the leading union negotiator, said: "We always look for settlements

that are no less than the miners get." In any case, he added, the offer so far was "unacceptable."

Guidelines

He described the offer as conforming with Government guidelines. It ranges from more than 5 per cent (about £3.60) for labourers at the lowest level to about 13 per cent for foremen and others in the top grade.

The average rise, however, would be in line with the miners' latest 9 per cent offer and reinforces the apparent willingness of the Government to allow that level to pass unofficially as a new ceiling for the remainder of this year's wage round.

The employers have refused to grant a 35-hour week—one of the main points in the union's series of demands—but Mr. Chapple made clear that so far there had been no threat of industrial action.

The talks were lobbied by more than 50 shop stewards from power and transmission stations throughout the country, including a delegation from the Yorkshire "unofficial" shop stewards' committee. Its leaders led the action in 1977 that resulted in nationwide black-outs.

The shop stewards said "the main objection was to the small increase for the lowest grade. Average earnings are at present £75 a week at the lowest, £90 for craftsmen and £115 for

foremen, although the levels are rather higher for 35,000 workers in the same grades in the Central Electricity Generating Board.

Confidence

Mr. Mick Barwick, one of the leading shop stewards on the Yorkshire committee, said: "We have more confidence in our national officers now than we have had for two years. When the final offer goes to ballot we will accept the results as we did last year."

Last year's phase three pay deal, including a productivity agreement, which is said to have resulted in earnings increases over the year of around 24 per cent, was accepted by only a 500-vote majority.

Managers' body seeks foothold in aerospace

By Alan Pike, Labour Correspondent

THE Engineers and Managers Association, which last month won recognition from British Shipbuilders in spite of fierce opposition from other unions, yesterday announced a move which promises to give it a foothold in the aerospace industry.

Leaders of the non-TUC affiliated British Aerospace Professional Staffs Association (BACSTAFF) have agreed in principle to join the EMA. BACSTAFF members will be balloted on a transfer of engagements in the next few weeks. A "yes" vote means that the amalgamation will take place by July 1.

The EMA procedure recalls the way it entered the shipbuilding industry, through a transfer of engagements with the Shipbuilding and Allied Industries Management Association.

Shipbuilding has one nationwide staff association, but British Aerospace has several. BACSTAFF represents professional staff at the Warton division, Preston.

But Mr. John Lyons, general secretary, said yesterday that he favoured other aerospace associations of staff. He wanted to follow BACSTAFF's example "so that the professional and allied staff in the aerospace industry can have a united voice."

The EMA is setting up an aerospace group, in the hope of increasing its membership in the industry.

This bid to enter the aerospace industry guarantees the EMA yet another fight with the Confederation of Shipbuilding and Engineering Unions, and particularly TASS, the white-collar section of the Amalgamated Union of Engineering Workers.

Although a TUC union, the EMA is not part of the confederation, which opposes the entry of new unions to the engineering and related industries.

EMA morale soared last month when, despite Confederation opposition, it was recognised from British Shipbuilders.

Mr. Lyons said the aerospace breakthrough followed the shipbuilding decision "even more quickly than we had expected." In every leading industry, professional staff are turning to the EMA, he said.

Gormley orders rethink

BY CHRISTIAN TYLER, LABOUR EDITOR

MR. JOE GORMLEY, president of the National Union of Mineworkers, yesterday sent his national executive away to think again after it became clear that they were not going to support his ideas of how the Coal Board's pay offer should be split.

Many of the 25 members of the executive came mandated by their areas to distribute evenly the £72.5m immediately available, which would have added £6.40 a week to all rates.

Mr. Gormley, clearly still re-litigating his recent tactical successes, said they should go and consult their areas again. He proposed either £6.95 for all underground workers and £5.40 for surface workers, or £7.55 for higher underground grades, £6.85 for others underground and £5.40 on the surface.

The executive is to meet

again today week for a final decision. Mr. Gormley seemed anxious yesterday not to have that decision put out to a pit-head ballot of the members.

Tactics

He let slip his tactics for next week. He will argue that once the executive—including the 10 from the Left who voted against the offer originally—had voted on the distribution, that would mean they had accepted the offer as a whole on behalf of the membership.

He said the £72.5m was worth about 9.5 per cent of new money. In addition, the miners will have their Stage Two pay supplement of £2.50 to £4 a week consolidated into basic rates, will get another £20m next January for "washing and waiting" time, immediate in-

creases in the unsocial hours payment, an improvement to the bonus rates, plus the bigger bonuses that will flow from increased output during the life of the 12 month deal.

The Coal Board, which is also anxious to improve the differential in the industry, sent the union a detailed set of proposals for consideration yesterday.

Mr. Gormley's argument for his scheme was that surface workers can often make up their earnings because of the amount of overtime they do.

Men can retire at 62 in job release move

By Our Labour Editor

THE Government's early retirement "job release" scheme is to change from May 1. Men will be able to retire at 62 instead of 64, and disabled men at 60.

From April 1, the weekly allowance for those taking the option goes up to £40 a week for a married man whose wife earns less than £8.50 a week, and to £31.50 for others.

The eligible age for women remains at 59.

Civil Service discussions

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE union leaders met officials of the Civil Service Department to discuss pay yesterday. They received no further clarification of how the Government intends to stage a settlement for 600,000 white-collar civil servants.

The Department of Trade said yesterday that trade figures, due to be published on Wednesday, would not be available because of a strike by Civil Service computer operators at Southend.

Yesterday's meeting was arranged after Lord Peart, Lord Privy Seal, agreed last week to recommend to the Cabinet that

civil servants should receive a settlement based on a comparability study within 12 months. Unions estimate that the rises due from the study will average between 26 per cent and 36 per cent.

Although the meeting was intended to work out the financial implications of staging, department officials could not discuss how much would be payable on April 1 this year, whether the new rates would be implemented for pension purposes, the timetable or amount of staging, or the effects on the Pay Research Unit study for April 1980.

'Crying'

Mr. Jenkinson's body was discovered in a bathroom at his home by his wife Joyce and a neighbour early yesterday.

Mr. Peter Gillibrand, GEC group press officer in London, said: "The company is deeply sorry to hear of Mr. Jenkinson's death. Mr. Jenkinson was warned on March 1 that he may be made redundant in September."

"As far as I have been able to check this morning, Mr. Jenkinson was not asked to warn anybody else about redundancy."

"Since we made the statement in January saying there would be redundancies in the switchgear factory at Stafford, we have been involved in lengthy talks with employee representatives there to give a very full explanation of our policies and problems."

Steel production men's pay talks to resume

BY OUR LABOUR STAFF

PAY TALKS for 90,000 steel production workers resume on Monday. Mr. Bill Sirs, general secretary of the Iron and Steel Trades' Confederation, said yesterday that at one stage in the talks a "suicidal stoppage" in the industry had been averted "only by the self-discipline of the union."

Closure notice for the Bilston steelworks, Staffs, expected to be given at a meeting between the British Steel Corporation and the TUC Steel Committee, was deferred when the meeting was postponed until next week.

Leaders of the confederation will look for further improvements to BSC's offer of increases of 8 per cent, with holiday improvements worth 1 per cent more, when they meet the corporation on Monday.

Mr. Sirs, writing yesterday in his union's journal, said that if the corporation was to consoli-

date present pay policy supplements into basic rates, which is likely to add 1 per cent to the offer, it would remove an important obstacle to an agreement.

Steelworkers were prepared to forego an increase in real earnings to help toward a 35-hour week in an effort to save jobs.

However, he added: "It would be a complete abdication of responsible collective bargaining if only massive pay claims backed by immediate disruption are seen to be successful."

There must be an incentive for moderate negotiators if we are to stop the drift to industrial anarchy.

Officials of the Steel Industry Management Association, representing 12,000 managers in the industry, were offered an increase of 8 per cent in talks with the corporation yesterday, in

Bid to speed notification of accidents

By Maurice Samuelson

FASTER notification to the Health and Safety Commission of fatal or serious industrial accidents would take place under new draft regulations announced by the commission today.

For the first time, serious and fatal accidents to members of the public caused by work activity would have to be reported to the Health and Safety Executive, the commission's operational arm.

The proposed regulations are intended to simplify existing notification procedures.

Proposals for Notification of Accidents, Dangerous Occurrences and Ill Health Regulations and Guidance Notes, Health and Safety Commission (HMSO), 50p.

BL workers end strike

BY PHILIP BASSETT AND ARTHUR SMITH

BL CARS will resume normal production at Triumph, Coventry, on Monday and recall the 3,500 workers laid off.

The move follows an agreement yesterday by 300 machinists to return to work after a week-long strike. The men walked out in protest at company proposals to transfer 32 machinists on a temporary basis from engine production to assembly work.

Unions said the work was not suitable for machinists but have agreed to go back provided management fills the positions by

calling for volunteers.

BL shop stewards and union officials will meet next week to review the group's participation scheme, which is one of the main Government hopes for restoring BL Cars' industrial performance.

Lord Scanlon, president of the Confederation of Shipbuilding and Engineering Unions, said yesterday that there had been very severe criticism of the participation scheme withing BL, and the meeting next week was aimed at providing concrete evidence of those criticisms.

Standing commission faces suspicion from Left and Right

BY CHRISTIAN TYLER, LABOUR EDITOR

THE STANDING commission so far announced are Mr. Harry Urwin, soon to retire as deputy general-secretary of the TGWU, Sir Leslie Williams, former secretary-general of the civil servants' Whitley Council, Mr. Peter Gibson, former BP personnel director, Sir William Ryland, former Post Office chairman, and Professor Joan Mitchell, professor of political economy at Nottingham University.

The Government and the TUC can reasonably claim, however, that the terms of the new committee is mainly accidental. Proposals for a body to keep the public services in touch with private-sector earnings have been about for many months.

Mr. David Bassett, of the General and Municipal Workers' Union, was promoting the idea early last year and the TUC's Congress resolution of last autumn, despite its call for an end to Government interference in wages, pointed in the same direction when it emphasised the need to remove "discrimination" in public sector wages.

Still more specific proposals were incorporated in the joint TUC Government statement that founded just before Christmas.

Even those union leaders, including Mr. Joe Gormley of the miners' union, hostile to outside agencies' becoming involved in their pay bargaining see some

necessity for the commission. They, like the Government, do not relish the thought of paid workers in vital services taking action that harms the public directly.

Talking yesterday about the nurses' threats of industrial action, Mr. Gormley said: "We all stand condemned, in my opinion, for having let it happen."

There is, in other words, considerable acceptance among a free collective bargaining of a cushion of this kind. The TUC itself would like to go further, but has to be careful. The TUC general council has supported the commission, but insists that its future inquiries be conducted with the consent of the unions concerned and that the commission should not supplant existing negotiating machinery.

But when TUC leaders and Government Ministers meet to discuss the commission's future, there will be proposals to develop the machinery into something like the Relativities Board proposed by the last Conservative Government.

They will consider whether the commission should be used as a kind of statistical service which would produce bargaining parameters for conventional negotiation, and consider the scope for widening its orbit to include the trading parts of the public sector, and even the private sector as well.

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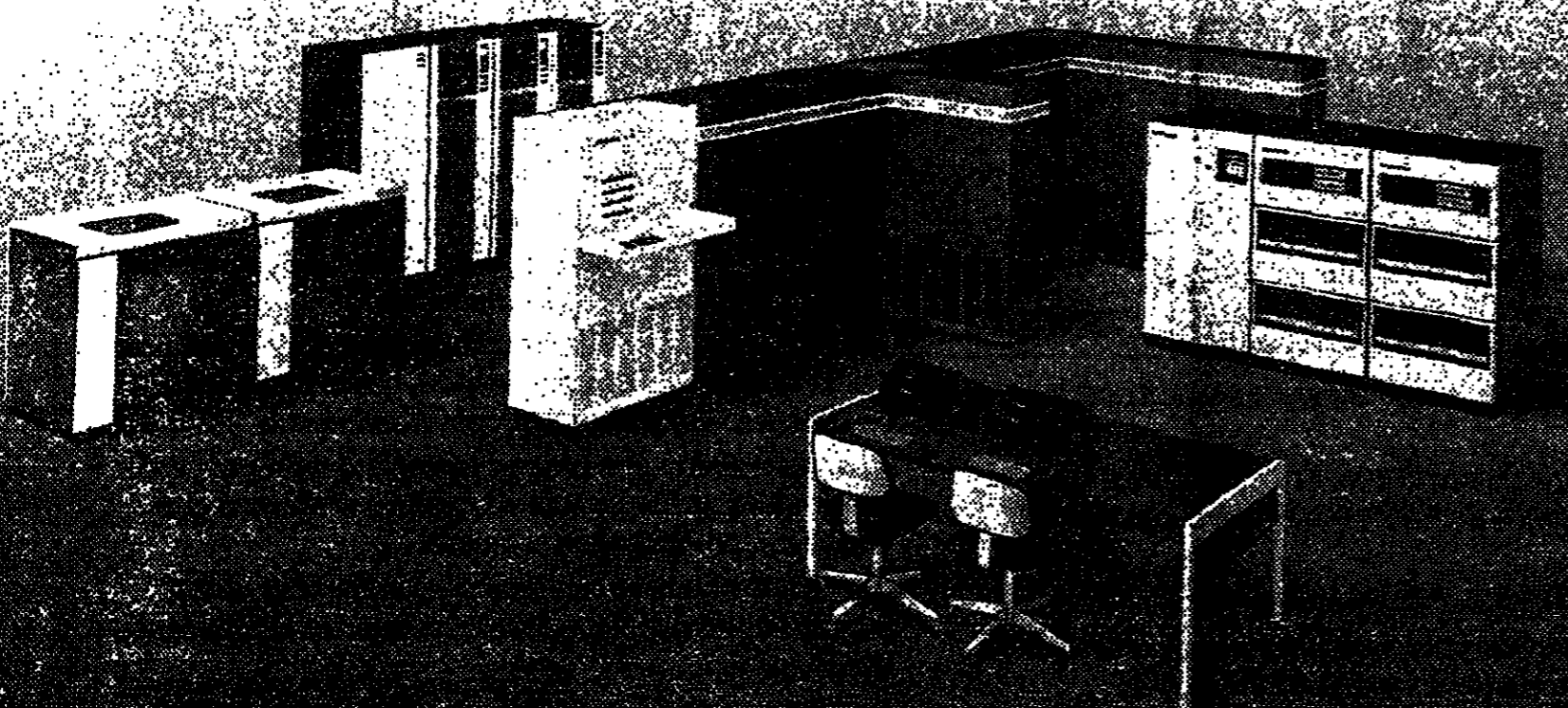
Our family of large computers includes the B 6800 (shown below), and the B 7800. These multiprocessing, multiprogramming systems offer outstanding price-performance.

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Burroughs

هكلمن الأحرل

UK NEWS - PARLIAMENT and POLITICS

Mason sees 'progress' plans for Assembly

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

WHILE THE Cabinet was wrestling with the problem of what to do next over devolution for Scotland and Wales, the Government was being pressed in the Commons to push ahead with devolution for Northern Ireland.

THE GOVERNMENT remains committed to some form of devolution despite the failure to achieve the necessary 40 per cent in the Scottish and Welsh referendums last week.

"Here we are in next week," she observed. "Why does the Prime Minister still shrink from laying the orders and allowing the House to debate them?"

In reply, Mr. Callaghan emphasised that there had, in fact, been a majority in favour of Scottish devolution and this had to be taken carefully into account in deciding the best way forward.

Liberal policy defined

BY OUR LOBBY STAFF

LIBERAL and democrat candidates throughout Europe will be arguing in the coming elections for an increase in the European Parliament's powers over the Community budget and legislation.

Pym contemplates 'worst crisis ever'

BY ELINOR GOODMAN, LOBBY STAFF

THE WORLD could be on the brink of the worst crisis ever, Mr. Francis Pym warned in his first major review of foreign affairs since taking over as Shadow Foreign Secretary five months ago.

The area was of vital importance as a producer of raw materials for the West. An unsuccessful outcome in Rhodesia, he said, could turn "an already inflammable situation into one of complete anarchy and war" which could be exploited by the Russians.

Next week's agenda

COMMONS Monday: Second readings of Local Government Grants (Ethnic Groups) Bill and of Local Government Finance Bill.

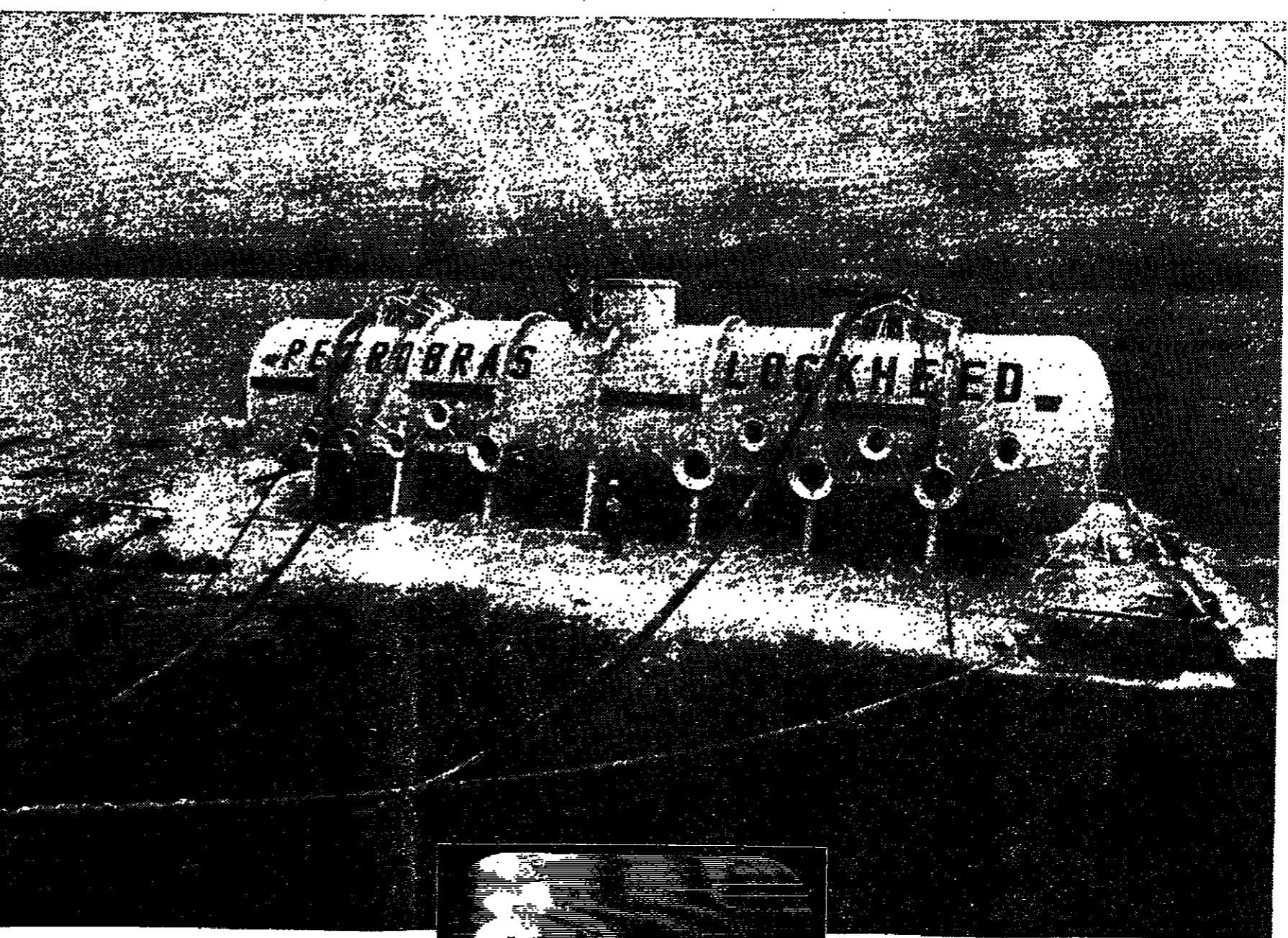
Scots move to heal their devolution rifts

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE Scottish executive of the Labour Party will attempt this week to maintain unity over devolution and avoid a split which could damage the party before the election.

affairs, but not to insist that the Government tries to force the Scotland Act through Parliament.

The world's most advanced subsea oil system comes on-stream.



Oil starts flowing from Brazil's Garoupa field.

The huge manifold centre shown here—100 feet long and weighing 1,550 long tons—is now at work 400 feet deep on the Atlantic sea bed floor some 160 miles east of Rio de Janeiro.

Working in the depths.

The key to the system is a group of ten undersea work chambers, designed by Lockheed Petroleum Services: nine well head cellars and the manifold chamber.

They handle all pipeline connections, service and maintenance in a dry, shirt-sleeves environment, unhindered by diving suits or breathing apparatus.

Advancing the techniques. The Petrobras installation is by far the most advanced subsea system in the world. Although the system concept was proved earlier in the Gulf of Mexico, Petrobras has employed it on a far larger and more advanced scale than anyone else.

Brickbats returned

BY ROY HODGSON

THE nationalised industries were an easy target for consumer organisations wishing to throw bricks, said yesterday Sir Francis Tombs, chairman of the Electricity Council.

Francis about relations between consumers and the electricity industry.

Nurses offer praised

BY ROY HODGSON

Anyone who suggests that the Government's 9 per cent pay offer to nurses is derisory must have lost touch with reality, the Prime Minister told the Commons yesterday.

The offer made to nurses was worth more than £5 a week to an unqualified nurse, more than £7 a week to a qualified enrolled nurse and between £7 and £8 a week to the next grade.

Tax amnesty denounced

BY ROY HODGSON

THE Inland Revenue decision to grant a "tax amnesty" to Fleet Street casual workers was denounced in the Commons yesterday as setting up one law for trade unions and another for everyone else.

He claimed the Revenue had asked for the amnesty "with Ministers' connivance" just because the Fleet Street workers were members of trade unions.

A SERIES OF INJECTIONS TO BOOST PERFORMANCE.

For those who wish to combine the superlative comfort of travelling in a Citroën CX with extra performance, Citroën offer a series of solutions.

Namely, the CX GTi, the CX Pallas Injection and the CX Prestige; three CX models all with Bosch L-jetronic fuel injection and electronic ignition. Each offers the kind of performance that could leave many a red-blooded sports car driver green with envy.

Matched to the electronic fuel injection is a wind cheating design that's only too willing to accommodate the extra performance. It also accounts for some pretty miserly fuel consumption. The CX GTi, for example, returns 34.9mpg at a constant 56mph (8.1 l/100km at 90km/h)*.

Those who grew up associating 'performance' with a bone-shaking ride and the deafening roar of an engine will find the CX comes as nothing short of a revelation.

A ride in the CX is remarkably smooth with Citroën's celebrated hydropneumatic suspension absorbing all the bumps and road shocks.

There isn't a more comfortable suspension

system in any car at any price.

Aerodynamic styling makes the CX an exceptionally quiet car to drive at any speed.

Steering is Citroën's unique VariPower system. No other car's steering can match it.

When parking it's finger light, and power returns to a straight line position immediately the steering wheel is released. On the open road it grows progressively firmer with increasing speed.

The combination of VariPower steering and aerodynamic styling ensures that deviation from a straight line is negligible in the CX, even when driving on a motorway in strong cross winds.

A number of subtle variations differentiate the three injection models in the CX range, each of which has tinted windows, rear sunblinds, electronic ignition and electrically adjustable exterior mirror.

The GTi is all its name implies, with a close ratio five-speed gearbox, alloy wheels, matt black window surrounds, front and rear fog lamps and specially designed head restraints. (£7160.40.)

C-matic transmission is standard on the CX Pallas Injection, the most luxurious of the standard wheelbase CX models. (£7180.29.)

The Prestige is the ultimate CX. Longer wheelbase and body, wider rear doors, extra head and leg room. Air conditioning is standard. Probably the most lavish of all saloon cars available at its price. (£9590.49.)

It remains only for us to offer you a few parting words as we leave you to ponder the choice. Whichever of our injections you decide to take, you can rest assured it will make you feel a lot better.

A selection of the 16 models in the CX range

Model	BHP	Top Speed	Price
CX 2000	102	109mph	£5097.69
CX 2000 Super	102	109mph	£5336.57
CX 2400 Super (5 speed)	115	112mph	£5965.83
CX 2500 Diesel Super (5 speed)	75	97mph	£6198.66
CX 2400 Pallas (5 speed)	115	112mph	£6566.04
CX 2400 Pallas (C-matic)	115	111mph	£6754.41
CX 2400 Pallas Injection (C-matic)	128	112mph	£7180.29
CX 2400 GTi Injection (5 speed)	128	118mph	£7160.40
CX 2400 Safari Estate	115	108mph	£6128.46
CX 2500 Diesel Safari Estate	75	90mph	£6480.63
CX 2400 Familiale	115	108mph	£6240.78
CX Prestige Injection (C-matic)	128	112mph	£9590.49

DATA
Enables computer and hand-held

NORTH SEA
Aids work under water

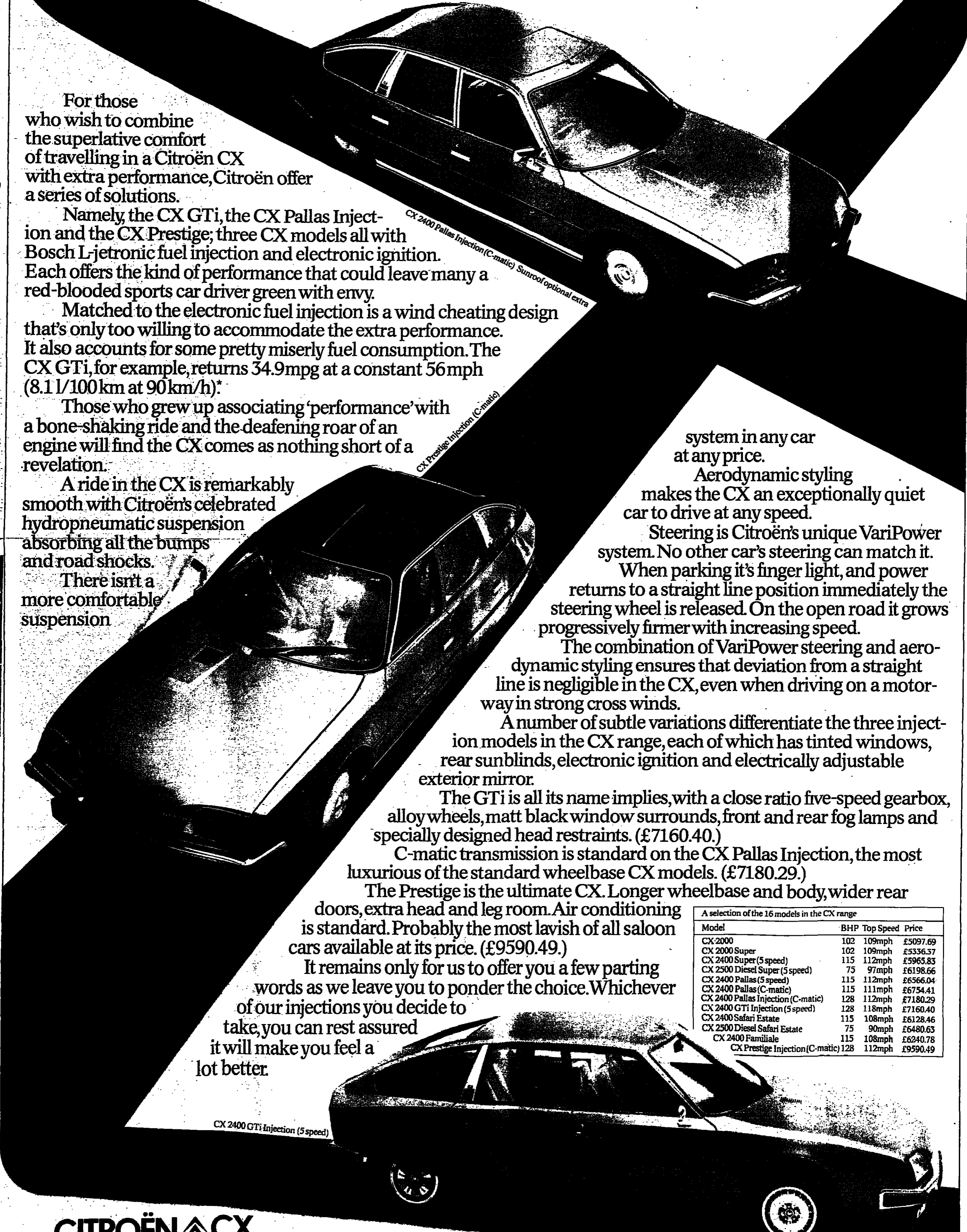
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COMPRESSOR
TANKS
MOUNTING

PHILIP

CS AND BRITISH
PERFORMANCE



CITROËN ^ CX.

*SIMULATED URBAN DRIVING 18.6 MPG (8.2 L/100 KM), CONSTANT SPEED DRIVING 75 MPH (120 KM/H) 28 MPG (10.1 L/100 KM). ALL CX MODELS HAVE RECOMMENDED 10,000 MILES SERVICE INTERVALS 1 YEAR UNLIMITED MILEAGE GUARANTEE SUSPENSION GUARANTEED FOR 2 YEARS MAX 65,000 MILES. PRICES INCLUDE CAR TAX VAT AND SEAT BELTS BUT EXCLUDE DELIVERY CHARGE £750 (INC VAT) AND NUMBER PLATES. PRICES CORRECT AT TIME OF GOING TO PRESS. ENQUIRE ABOUT OUR PERSONAL EXPORT HM FORCES AND DIPLOMATIC SCHEMES AND PREFERENTIAL FINANCE SCHEME. CHECK YELLOW PAGES FOR NAME AND ADDRESS OF NEAREST DEALER. CITROËN CARS LTD, MILL STREET, SLOUGH SL2 5DE TEL. SLOUGH 23808

CITROËN ^ CX

APPOINTMENTS

Finance Director

for an independent public company with a justifiable reputation for excellence in the retailing of up-market consumer durables both in this country and on the Continent.

- RESPONSIBILITY to the Board embraces the full accounting and finance function as well as the company secretarial role.
THE NEED is for a Chartered Accountant with a successful record in financial control at a senior level and experience in the retail sector.

Write in complete confidence to R.T. Addis as adviser to the company.

TYZACK & PARTNERS LTD MANAGEMENT CONSULTANTS 10 HALLAM STREET LONDON W1N 6DJ 12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Financial Controller

for a manufacturer of electrical switchgear. This UK company, a subsidiary of a large American corporation, has a record of profitable growth. Current turnover, much of it in exports, exceeds £7m.

- RESPONSIBILITY is to the Managing Director for the provision of financial and costing results, budgetary control and performance monitoring. The role also covers the secretarial and treasury functions.

- A QUALIFIED ACCOUNTANT is required with successful experience in the financial control of batch manufacture and assembly. Knowledge of American reporting practice is very desirable.

- INITIAL remuneration up to £12,000 with car.

Write in complete confidence to G.W. Elms as adviser to the company.

TYZACK & PARTNERS LTD MANAGEMENT CONSULTANTS 10 HALLAM STREET LONDON W1N 6DJ 12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

COMPANY NOTICES

PROVINCE OF NEWFOUNDLAND 9% 1977/1989 \$US 50,000,000 Pursuant to the terms and conditions of the Bonds, notice is hereby given to Bondholders that, during the twelve-month period ending February 14, 1979, \$US 1,200,000 of such Bonds were purchased in satisfaction of the Purchase Fund.

Outstanding amount: \$US 48,450,000. Luxembourg, March 9, 1979.

THE FISCAL AGENT: KREDITBANK S.A. Luxembourg.

INTERNATIONAL COMMODITY SHARE FUND SOCIETY ANONYME 23, Avenue de la Porte-Neuve, Luxembourg, R.C. Luxembourg B 7942

NOTICE IS HEREBY GIVEN that the General Meeting of Shareholders of the above named company will be held at 23, Avenue de la Porte-Neuve, Luxembourg, on 17th April 1979 with the following agenda: (1) Report of the Board of Directors and the Auditor...

AMERICAN EXPRESS OVERSEAS FINANCE CORPORATION NOTICE TO CREDITORS

To the holders of US\$ 40,000,000 of the above named company's First Supplemental Indenture dated 22nd February 1978...

LEGAL NOTICES

No. 0084 of 1979 In the HIGH COURT OF JUSTICE Chancery Division, in the Matter of the COMPANIES ACT 1948...

In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of THE PARWAY LAND INVESTMENTS LIMITED...

No. 00725 of 1979 In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of THE COMPANIES ACT 1948...

No. 00864 of 1979 In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of THE COMPANIES ACT 1948...

No. 00880 of 1979 In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of THE COMPANIES ACT 1948...

No. 00723 of 1979 In the HIGH COURT OF JUSTICE Chancery Division Companies Court, in the Matter of THE COMPANIES ACT 1948...

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APPOINTMENTS

Lord Sandon heads NatWest Unit Trust Managers

Lord Sandon, a deputy chairman of National Westminster Bank, has been appointed chairman of NATIONAL TRUST MANAGERS succeeding Mr. R. Leigh-Pemberton, who is retiring from the Board with Sir Francis Sandilands.

Mr. David Wickerson has been appointed a director of RICHARDS LONGSTAFF (HOLDINGS) and Richards Longstaff Insurance. Mr. Longstaff has joined the Board of Richard Longstaff Insurance and Mr. David Pryor Lloyd has been made a director of Richards Longstaff Limited.

Mr. Peter Brown, managing director of BROWN KNIGHT AND TRUSCOTT, is leaving the company to establish his own sales and marketing consultancy business, PRINT MARKETING SERVICES, at Pembury, Tunbridge Wells.

Mr. Adrian Buckley has been appointed director of the KINGSTON REGIONAL MANAGEMENT CENTRE, which is responsible for Kingston Polytechnic. He replaces Mr. John Woolhouse, who has resigned and moved into business consultancy.

Mr. Andrew Bathie has been appointed to the Board of THOMPSON TRAVEL. He joined the group in 1969 and became managing director of member company Lunn Poly in 1976.

Mr. Derek Pety, a vice chairman of Barclays Bank International, has been appointed a director of MERCANTILE CREDIT COMPANY, taking the place of Mr. Stephen Megford, also a vice chairman of Barclays Bank International.

Mr. Alexander Houseman has been appointed chairman of the Gauge and Tool Sector Working Party, a new SWP established by the NATIONAL ECONOMIC DEVELOPMENT COUNCIL as part of the industrial strategy. Mr. Houseman has been chairman of W. Canning since 1976.

The CIVIL AVIATION AUTHORITY has appointed Mr. James Curle, at present director of telecommunications (air traffic services), to be director-general of telecommunications on the retirement of Mr. Tom McViggan at the end of May.

Mr. E. J. Nieman has been appointed financial director of TEDDINGTON BELLOWS, a subsidiary of United Gas Industries.

The following have been appointed vice-presidents at the BANK OF AMERICA, NT AND SA: Mr. Theodor Heyermann, Dusseldorf; Mr. Craig Reynolds, head of market advisory services, London; Mr. William Slootweg, and Mr. Colin Kipkin, Amsterdam.

Mr. A. J. Rosenfeld, has been appointed to a deputy secretary post in the DEPARTMENT OF TRANSPORT and continues as the Department's principal finance officer.

Mr. K. F. C. Elgar will become company secretary and Mr. L. R. Higgins, chief accountant, of TURNBULL GIBSON TRAVEL.

Coral Index Takes Oriental Plunge!

The company which provides a market on the FT and Dow Jones indices. NOW offers a new opportunity... The Hang Seng Industrial Index, Hong Kong. Market opens 10.00am Monday, March 12.

Coral Index offers a free market for you to exercise judgement and foresight—a big opportunity for gain. The Index is based on the FINANCIAL TIMES ORDINARY SHARE INDEX and a client can buy for a rise or sell for a fall, any number of £1 units up to a maximum of £500 per full point fluctuation in the F.T. Index.

Coral Index also makes a market on the fluctuations of the Dow Jones Index and you may Deal daily from 10 am - five hours before the New York Stock Exchange opens.

And now Coral Index offers you the challenging opportunity of backing your judgement against the highly exciting Hang Seng Industrial Index, Hong Kong.

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NOTICE OF RATE OF INTEREST U.S. \$100,000,000 Guaranteed Floating Rate Notes Due 1994 Citicorp Overseas Finance Corporation Limited

PERSONAL IN BEREAVEMENT—send your tribute in a memorial card to help ease the burden of grief. CLASSIFIED ADVERTISEMENT RATES

LEGAL NOTICES No. 0084 of 1979 In the HIGH COURT OF JUSTICE Chancery Division, in the Matter of the COMPANIES ACT 1948...

Mar has to m insur Coral Index Takes Oriental Plunge! The company which provides a market on the FT and Dow Jones indices.

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FINANCIAL TIMES SURVEY

Friday March 9 1979

هكزامن الأهريل

Doubts about going it alone

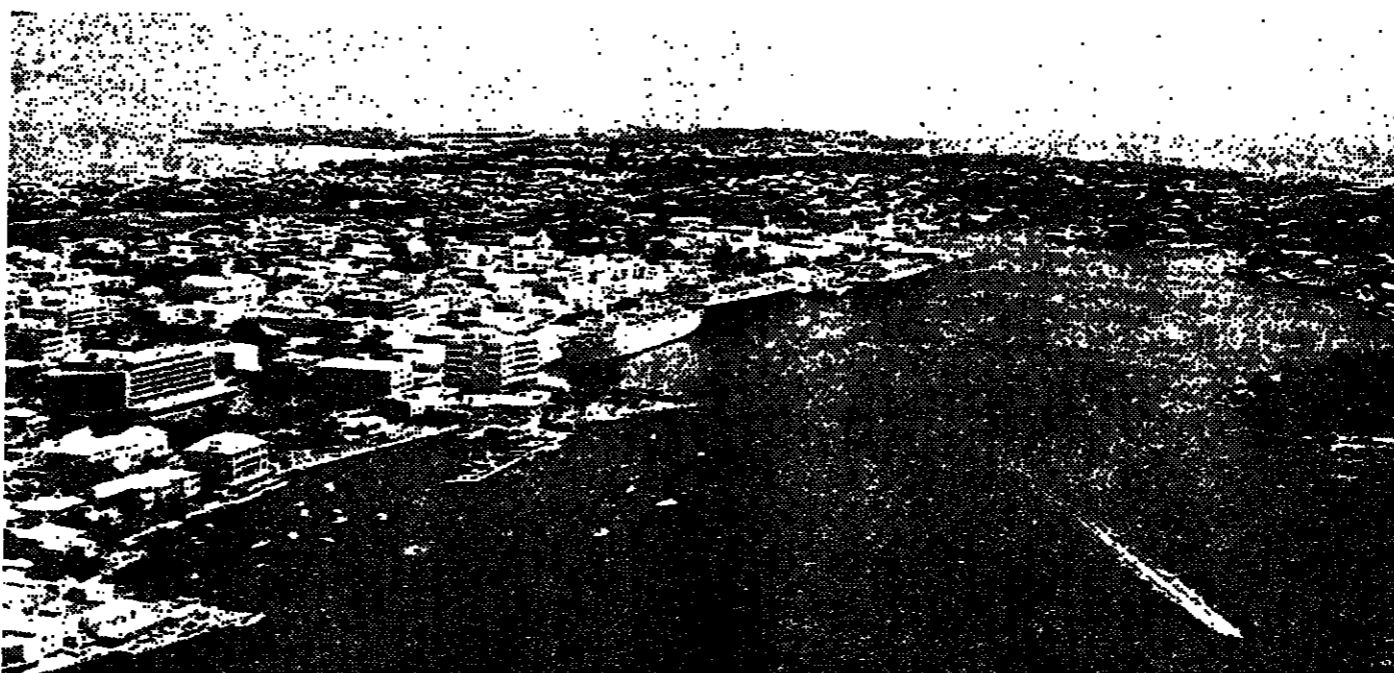
BERMUDA HAS about the same population — 57,000 — as Cheltenham. It even wears a faintly similar air of genteel prosperity. Unlike the English town, though, there is a distinct possibility that Bermuda may become independent from Britain, sometime in the 1980s. Even those made slightly queasy by the prospect, that is, a few of the island's substantial business community and many British expatriates, regard the move as likely. The opposition Progressive Labour Party has long favoured independence, though with increasing caveats that it should be carefully prepared. While Premier David Gibbons, whose ruling United Bermuda Party sits on the fence on this issue, concedes that independence is "probably inevitable."

But Mr. Gibbons firmly cautions against any conclusions that a majority of Bermudians actually support separation from Britain at the moment. Indeed, he cites a recent poll by his party, canvassing 18,000 of the 28,000 electorate, that showed two-thirds against independence, and not only in White constituencies but also in largely black, pro-PLP areas too. Any number of factors could change this, he says, including, for example, the possible adoption by Britain of a European Community passport. A British passport weighs heavily with Bermudians, who are almost perforce great travellers from their beautiful rocky outcrop in mid-Atlantic. Most Bermudians, black as well as white, probably do not want the trappings of sovereignty if that hits their pockets hard. They feel, and are, pretty independent from Britain as they are. The majority seem contentedly set in their ways—more than half own their own houses—and want to retain their present

prosperity which, at an average of Bda\$ 7,500 per head, is just behind some Arab Gulf states and ahead of Britain and the U.S. On the other hand, a 1977 government estimate put the possible cost of independence, which might involve overseas representation in a few selected capitals, at \$1.1-1.9m. Even allowing for inflation, this is by no means out of reach for a country with a consistent balance of payments surplus, a budget presently in balance, and a gross domestic product last year of \$505m.

It was also the view of a Royal Commission—composed in majority of Bermudians and which reported last year on the December 1977 riots—that "only with independence can national unity be forged and pride in being Bermudian fully develop."

Given this ambivalence about possible independence, why the apparently growing sentiment that it is inevitable? The first reason seems to be that other micro-states are going independent, so Bermuda presumably will follow suit. The Seychelles (smaller than Bermuda) has, and so have St. Lucia and Dominica (larger, but poorer). The second reason concerns the attitude of the British Government, which made it clear in the wake of the 1977 disturbances that it wants to avoid the political embarrassment of having to send troops to the



Hamilton, capital of Bermuda

Independence from Britain is in the air in Bermuda, a step which a Royal Commission on the 1977 riots said is essential to the island's unity. Meanwhile, life is comfortable and the economy thriving, aided by the lucrative presence of the offshore companies, as David Buchan, the author of this Survey, reports.

island again to deal with its internal security problems. This does not mean Britain is abdicating its responsibility for the island. A British governor, Sir Peter Ramsbotham, is still responsible for external and internal security, and since 1977, the police and Bermuda's part-time army regiment, which come under him, have been strengthened. Nor is there any

change in London's policy that Bermuda can have independence whenever a clear majority of Bermudians so wish, and that Britain will seek neither to delay nor accelerate this. But the unhappy events of December 1977 have borne upon a number of Bermudians the impression that Britain is not entirely happy with the present half-way house relationship. In

which it must carry ultimate responsibility for Bermuda without having immediate power there. What happened was that two Blacks were convicted of murder (one of them of killing a British governor in 1973), and were executed, because although Britain has abolished the death penalty, Bermuda has not. Demonstrations with strong racial over-

tones broke out, and though many Bermudians claim the whole affair was grossly exaggerated in the international Press, it was felt necessary to call in British troops. In the event, order had been restored by the time they arrived. A Royal Commission, chaired by a Black British politician, Lord Pitt, was set up to investigate the broader causes

of the rioting. It was little surprised that Bermuda's normal tranquillity was occasionally shattered, in 1977 and a couple of times in the 1960s, because, it said, the island's political system was run largely by Whites and was often unresponsive to Blacks.

It is true that the conservative United Bermuda Party, which has held power since Bermuda had its first representative self-government in the 1960s, is largely seen as a White party. But about half its Cabinet posts are filled by Blacks (it has fielded a Black premier in this decade), and has consistently won about a quarter of the Black vote. To win, it has had to do so in a country that is more than half Black.

The mildly Left-wing PLP is almost exclusively Black, containing only one White representative among its 15 members in the 40-seat House of Assembly, and so far gaining only a handful of White votes at the polls. The PLP leadership claims this is not because it espouses racially-based policies, but because it champions the relative have-nots in Bermudian society, who usually happen to Black, and because the generally conservative and business-minded Bermudian White is not susceptible to its policy platform.

However, the racial strains should not be overstressed. Bermuda has achieved a

remarkable degree of integration, if not in its political system entirely, then certainly in its society at large. Mr. Gibbons says he agrees with the Pitt Commission's conclusion, published in mid-1978, that there was still "explosive material in Bermuda's social structure," but that his government's policies have gone far to dissipate the gunpowder. The two top policy priorities—which the Pitt Commission highlighted—are housing and education, and Mr. Gibbons says he intends to give himself the maximum chance of achieving progress in these two fields by not holding elections until the last possible moment, early summer 1981. His 1979-80 budget announced last month, while increasing some indirect taxes, also in the name of social justice included concessions to pensioners and small business—a clear step towards the middle ground in Bermudian politics.

Partly at the inspiration of the Pitt Commission, a constitutional conference was held last month—chaired by the governor with the two parties present—on several issues of electoral reform. The results look like at least alleviating the PLP's grievance that the present system is weighted against it on two counts. First, it has complained that the boundaries of Bermuda's two-member constituencies are so arranged as to give the United Bermuda Party an unfair advantage in seats. This was not resolved, but it was agreed that alternative voting systems, including proportional representation, should be decided at the next election, apparently taking the political heat out of this divisive issue for the next year or so.

The PLP has also felt that the present system by which expatriates are given a vote after three years' residence was unfair, because though comprising only 8 per cent of the electorate, they are mostly White and so presumed to give their votes to the UBP. The PLP wants the expatriate vote withdrawn. The UBP, conscious of the slur that its hold on power hangs on non-Bermudian votes, offered to extend the residence qualification to seven years. Though no agreement was struck last month, both parties have agreed to abide by a compromise ruling that British Ministers are due to make in the next month or so.

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- Negotiate reinsurance cessions and acceptances.
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- Prepare and issue policies and reinsurance agreements.
- Arrange premium collection.
- Calculate year-end premium adjustments.
- Subcontract actuarial services.

Claims Services

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- Negotiate with adjusters or reinsurers to develop appropriate loss reserves and reserves for Incurred But Not Reported Losses.

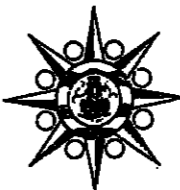
- Collect reinsurance, salvage and subrogation recoveries.
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- Carry out investment programs.
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- Arrange for annual audit by Public Accountants.

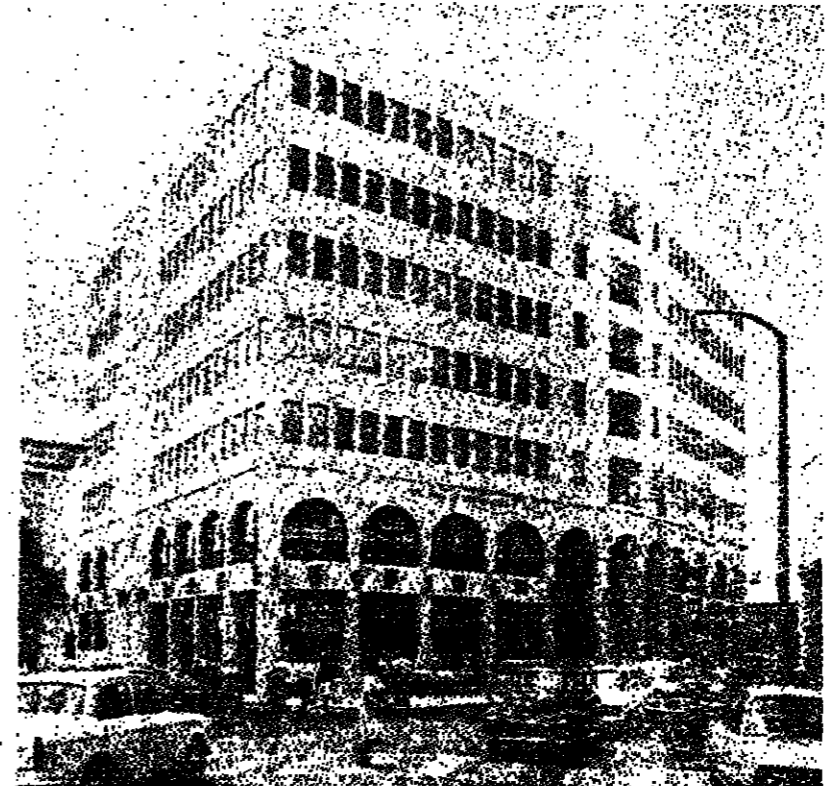
For further information contact: Mr. David B. Vaughan, Marsh & McLennan (Bermuda) Ltd., P.O. Box 1262, Hamilton 5, Bermuda. Telephone: 809/295-3278.

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*Prices correct at time of going to press. F.T.I.

BANKS seek way forward

BERMUDA'S BANKS are small in number (four), but large in assets. The biggest, the Bank of Bermuda, became the country's first billion dollar asset bank at the end of 1978, while earlier last year the island's oldest bank, the Bank of N. T. Butterfield, reported assets of \$8570m, and Bermuda Provident Bank (part owned by Barclays) \$112m, and Bermuda National (40 per cent owned by the bank of Nova Scotia) \$152m. And in so small a country, the number is likely to stay at four; a request some years ago to the Government by Citibank to set up a retail banking operation on the island was turned down partly because five was considered a crowd.

But partly due to criticism (voiced by the Pitt commission, but quite convincingly refuted by the banks since) that small businesses, which tend to be black owned or run, found it hard to get loans, the existing quarter is likely to be shortly joined by a hybrid creation, the Small Business Development Corporation. Based on a study of the problem by International Monetary Fund experts, the corporation, funded half by Government and half by the private banks to the tune of \$5500,000, would guarantee loans to small businesses. Technical advisers to the SBDC will be the Bermudian Monetary Authority, which is staffed by seconded Bank of England officials and acts as Bermuda's embryonic central bank—a parallel which, however, overstates the reality of a very informal relationship between the authority and the commercial banks. One of the few firm rules the monetary authority has to enforce is the 7 per cent ceiling on loans and deposits. The banks get by under this ceiling.

Money has in fact poured into the island through the international companies, but only to go out again on deposit with international banks abroad. The "exempt" companies are prevented from putting their cash into the local economy—nor indeed would they want to at 7 per cent. Only very occasionally, with the express permission of the Monetary Authority which wants to prevent the roaring inflation that such a wholesale influx would bring, is an international company deposit used in the local economy, for instance as a bridging loan.

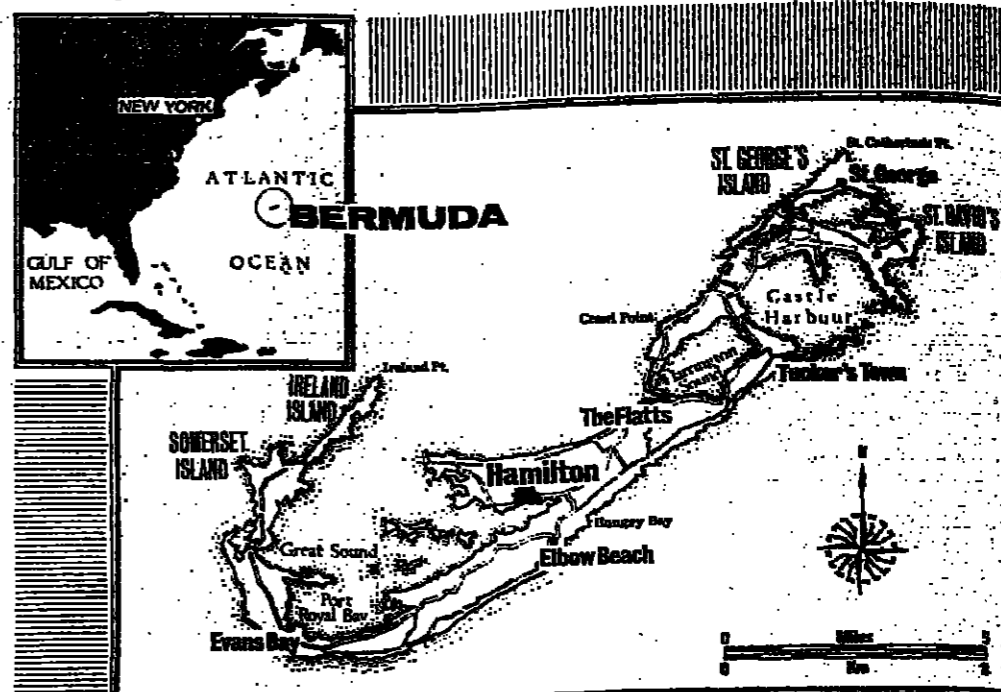
Foreign currency deposited abroad from all sources within Bermuda, the overwhelming share obviously from the "exempt" companies, totalled a pretty staggering \$4m by the end of 1977—three quarters of it direct by the companies to foreign banks. The quarter, or \$1m, that is placed abroad through the Bermudian banks is what has swollen the local banks' balance sheets. At the same time, the four local banks' capital is of necessity limited because in line with the law they must be 30 per cent Bermudian-owned: in fact the big two, Bank of Bermuda and Butterfields, are more than 75 per cent locally owned. While it might appear at first glance that the banks are thus undercapitalised, or over trading, Mr. John Keith, formerly a senior NatWest man

and now Butterfield's general manager, explains that liabilities are very carefully controlled by matching loans abroad "back to back" with deposits.

For a variety of reasons, the "exempt" companies use the Bermudian banks as well as their Wall Street and Threadneedle Street friends. As Butterfield's recently explained, "one such reason is to locate their legal and sovereign risks in the country of incorporation. For example, Bermudian banks are not exposed to direct foreign governments or judicial pressure for disclosure or arrestment of funds."

But the very fact that the lion's share of the "exempt" or international company deposits goes straight to foreign banks anyway is a prime argument used by the Front Street local banks against letting in the big international banks to do offshore business from Bermuda. A controversial recommendation of a recent report by a Canadian consultant, Mr. Simon Reisman, was that given a possible fall or a plateau in the fortunes of the local tourist industry, one possible new engine of growth might be offshore banking. Mr. Reisman tempered his recommendation with suggestions that only a select band of eight "blue ribbon" (sic) multinational banks be allowed in, with stipulations that they trade in sums large enough not to compete too directly with the

BERMUDA II



local banks and that they employ a given number of Bermudians, not just a telex machine and a secretary. But the local banks countered vociferously by saying that the competition would nearly kill them, would lead inevitably to a great reduction in the retail services they now offer the island's inhabitants, without doing the economy any lasting good and certainly without providing any comparable employment substitute for tourism. For the moment the controversy has been shelved, with the Government backing off its initial welcome for the Reisman recommendation, in its realisation that the regulation of an offshore banking centre would need a considerably greater apparatus than the monetary authority presently has at its disposal.

Economic ties with the U.S.

BERMUDA IS almost as tied to the U.S. economy as Hawaii or, indeed, Martha's Vineyard. The U.S. dollar circulates freely on the island alongside the Bermudian dollar, while 90 per cent of Bermuda's tourists, the island's source of "bread and butter"—half from America. A good half of the island's imports come from the U.S., and a considerably higher proportion of what Bermuda buys from abroad is invoiced in American currency.

It is therefore with misgivings that Bermudian politicians read about the widely-predicted downturn in the U.S. economy this year. "We will undoubtedly need to work hard to safeguard and consolidate our present high standard of living," warned Premier David Gibbons in his February budget speech. Nevertheless, the island weathered remarkably well, the doldrums that followed on the squall of the December 1977 disturbances. The drop in tourist revenue in the first half of 1978 was largely clawed back in the second half, with the margin made by growth in the international company sector, and the partly-related boom in the building industry.

The Bermudian Government's reckoning is that gross domestic product rose 2 per cent in real terms (3 per cent without taking inflation into account) in 1978-79 to reach \$505m. Bermuda also continued to run its small (in the tens of millions of dollars), but happily chronic, balance of payments surplus, with the slack in tourism earnings again taken up by inflows from the international companies established on the island.

Nor will the new budget impinge much on the average islander's standard of living: at 7,500 per capita it is double that in Britain and one of the highest in the world.

Statistics

What is more, without any direct income tax to pay out, this income is virtually all disposable. Mr. Gibbons has said his Government plans radical restructuring of the tax system. Even to the opposition and vaguely left-wing Progressive Labour Party, income tax is not a phrase to be bandied about in public.

Mr. Frederick Wade, deputy leader of the PLP and shadow finance minister—who is said to be on the left of his party—says that while he would favour a move towards more direct taxation and away from indirect taxation, the issue of income tax needs further study.

Bermuda does have taxes on land, employment and inheritance, and although statistics are woefully lacking, there do not seem to be enormous disparities between incomes (as opposed to accumulated wealth).

Mr. Gibbons' new budget is a pitch for the middle ground. In this, he was undoubtedly spurred by the troubles in 1977 and lured by the hope of winning over the PLP's political thunder in time for the next general election. Taxes went up on alcohol, tobacco, car licences, and on inheritances, while those for pensioners and small businesses went down. Thus, while

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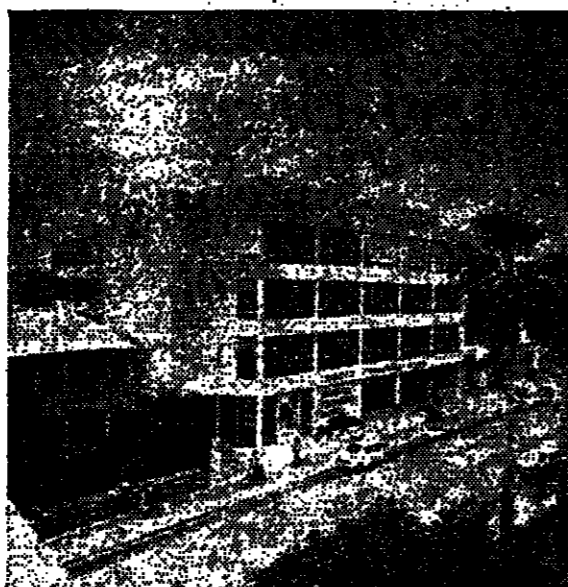
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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

David Lascelles on the tobacco company that took a successful plunge into beer and soft drinks

Philip Morris gallops to the top

FEW companies manage to notch up 25 consecutive years of uninterrupted profit growth...

and this was transformed in 1919 by a group of U.S. investors into a limited company incorporated in Virginia...

Table with 5 columns: Year (1974, 1975, 1976, 1977, 1978) and 5 rows of financial metrics (Operating Revenues, Beer, Other products, Gross Profit, Net Earnings).

* Seven Up results were consolidated only as from June 1 1978. Revenues for the whole of last year were \$300.5m, and income \$45.7m.

How does it do it? "Charm, intelligence, wit," quips George Weissman...

Mr. Weissman took over last November from Joseph Cullman, whose bold leadership earned him 56 consecutive increases in quarterly earnings...

A former journalist, he joined the company back in 1952, and today looks quite at home in the chief executive's office above New York's Park Avenue...

Rugged image

One of Philip Morris's biggest, and earliest, breaks with tradition, was the decision in the mid-1960s to market Marlboro using the now-famous rugged cowboy image...

American hero. Probably the only one. And it worked. Marlboro had the right note.

Another gamble was the decision in the early 1970s to build a \$250m cigarette-making plant in Virginia...

Better beer

Today, Miller is the second largest brewer in the U.S. behind Anheuser Busch with 19 per cent of the market...

could occupy nearly 30 per cent of the market. The most frequently cited reason is the brilliance of Philip Morris's marketing...

Then, exactly a year ago, Philip Morris launched its bid for Seven-Up, figuring that it had the expertise in beverages...

Miller's Lite is promoted humorously on TV by well-known sportsmen. In one of the most popular ads, the proprietor and (now ex-) coach of the New York Yankees baseball team...

Tight control

Philip Morris has a reputation for taking tight control of newly acquired companies. At Miller Brewing, many of the existing management left...



How business graduates fare around the world

BY JASON CRISP

CONUNDRUM. Take the following countries: Australia, Belgium, France, Holland, Japan, Switzerland, UK and the U.S. Now, what is the connection...

17 per cent were chief executives, 9 per cent executive directors and 15 per cent divisional managers. One factor which may shine a little light on that conundrum is where these highly qualified business graduates end up working...

manufacturing there is a tendency in most countries for business graduate managers to work in chemicals or food, drink and tobacco. In the UK however, 10 per cent of MBAs worked in mechanical engineering...

The perennial complaint by British managers that they are not paid as well as their colleagues in other countries is amply demonstrated by this survey...

of living was taken into account the comparison would obviously be less dramatic. The survey also looked at "additional benefits," or perks, where UK managers might have been expected to report a higher level of such benefits...

American or European business schools appear to fare markedly better than those who have been to one in the UK itself. Throughout their careers graduates from U.S. and European business schools earn considerably more...

France and Germany. In Belgium almost half had been promoted three or more times. British MBAs are perhaps one of the most professionally qualified in the world...

Advertisement for THE CLAN McCANNY featuring comic strips. One strip shows a man being reprimanded by a director. Another strip shows a man asking about a pension plan, with a large advertisement for SCOTTISH PROVIDENT below.

Large advertisement for Warrington means Business. It features a headline "We'll give you millions of consumers", a photo of people at a table, and a detailed form for requesting information about a distribution center.

Companies and Markets

UK COMPANY NEWS

Plessey at £33m after static third quarter

PRE-TAX profits of the Plessey Company rose 3.1 per cent to £32.9m in the nine months ended December 31, 1978...

has continued to increase steadily and orders for public electronic exchanges have also increased during the quarter.

NET INCOME of the Royal Dutch/Shell Group of Companies in 1978 finished 21 per cent down at 1,098m compared with £1,388m in the previous year.

Dutch Shell net income at £1.09bn for year

The share of the Royal Dutch Petroleum Company amounts to £682m (£857m) and the Shell Transport and Trading Company's share is £404m against £520m.

HIGHLIGHTS

Lex discusses the latest developments at Lonrho, where Kuwaiti interests tried to remove two directors at yesterday's annual meeting.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Corresponding year, Total for year, Total last year. Lists dividends for various companies like City & Commercial, Corah, Crossfields Tst. Int. etc.

TDG advances to £19.79m but cautious on current trading

TAXABLE PROFITS of Group Development advanced from £17.03m to £19.79m in 1978, on higher turnover of £219.45m against £192.62m.

and long leasehold buildings for the first time in 1978, to comply with the relevant accounting standard.

FOR the six months to December 31, 1978, turnover of Hunt & Moscrop (Middleton) rose from £8.6m to £10.65m but pre-tax profits fell from £690,000 to £694,000.

Hunt & Moscrop decline

The directors explain that overall lower margins reflect larger than anticipated losses which continued in three subsidiaries...

UCM down but sees recovery

ON TURNOVER down from £89.8m to £78.41m taxable profits of United City Merchants finished the six months to December 31, 1978, behind at £2.03m against a previous £2.4m.

share, before conversion of the 10 per cent convertible subordinated unsecured loan units, and 3.9p (3.5p) after.

also benefited from increased sales of higher-value white products. However, sales volumes of natural gas declined 5 per cent from 1977 due to lower sales of UK gas and lower Netherlands gas exports...

Table with columns: 1978, 1977, Em. £m. Rows include Revenues, Sales taxes, etc., and Expenses, Selling and admin., etc.

After provisions and overseas contingencies totalling £587,000 profit for the whole of 1977-1978 year came out at £2.55m compared with the previous year's record £4.1m.

On turnover £3.9m (£3.12m), pre-tax profit of Simpsons Perkins leather company was down slightly to £274,000 (£283,000). Tax took £143,000 (£148,000).

Crude oil supply for the year totalled 4,714 (4,647) thousand barrels daily: crude oil processed, 4,242 (4,256), and oil sales, 5,494 (5,324).

On turnover £3.9m (£3.12m), pre-tax profit of Simpsons Perkins leather company was down slightly to £274,000 (£283,000). Tax took £143,000 (£148,000).

Strong & Fisher halfway upsurge

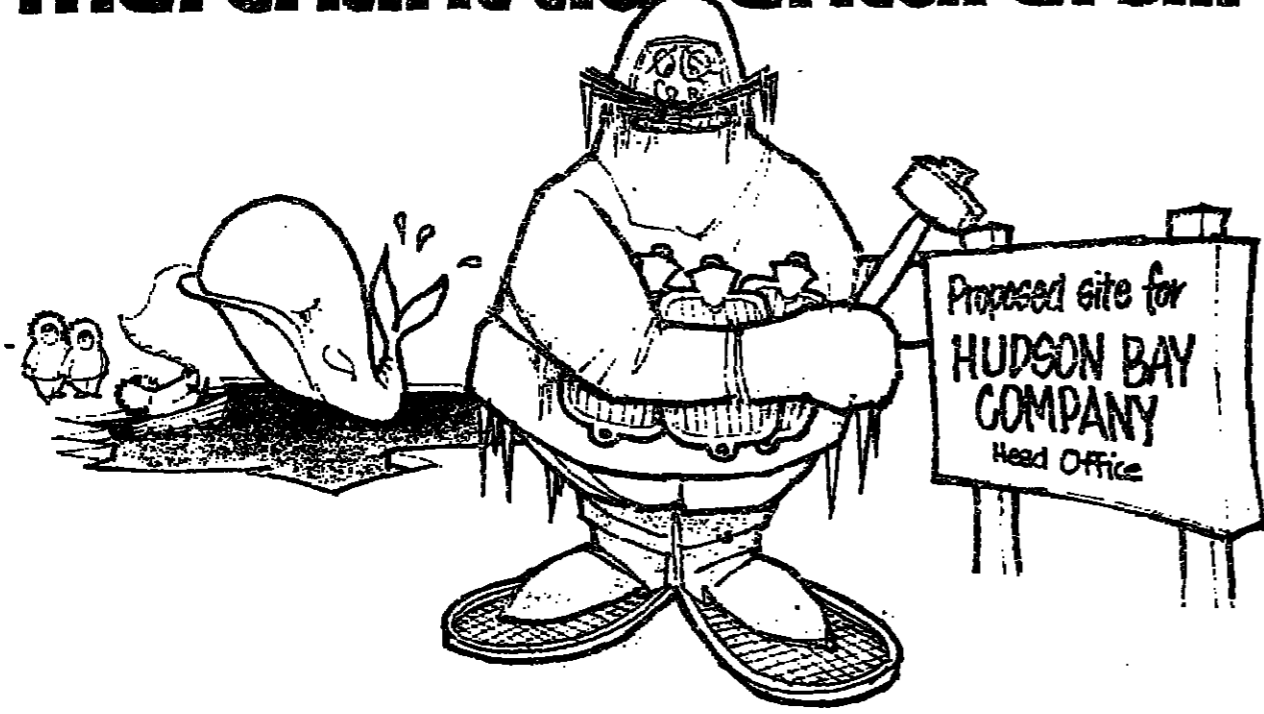
TAXABLE PROFITS of Strong and Fisher (Holdings), clothing and fashion leather tanner group, more than doubled for the six months to December 31, 1978 from £371,700 to £788,200.

and Fisher's second half, at least, the cycle looks to be going in the right direction. The group concentrates solely on sheep and lambskins but selling prices are rising ahead of the surge in hide prices...

As a result of the conversion on February 28, of the 10 per cent and 12 per cent cumulative convertible preference shares, the total ordinary capital of Single Holdings is now £1,344,124.10 in shares of 10p.

On turnover £3.9m (£3.12m), pre-tax profit of Simpsons Perkins leather company was down slightly to £274,000 (£283,000). Tax took £143,000 (£148,000).

In the great tradition of merchant adventurers...



The Eskimos had Hudson Bay all to themselves before Henry Hudson stumbled across it, teeth chattering, in 1610. Overcoming his initial surprise at the coincidence in names, he quickly established a base on its shores and began to forge trading links.

A copper component manufacturer in the U.S.A. has bought its first production machine for a new, continuous non-ferrous metal extrusion process from a Ward company.

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HUNT CHEMICAL

Philip A. Hunt Chemical Cor. ISSUE NEWS

Applied Computer share placing

A PLACING has been arranged for 10 per cent of the ordinary shares in Applied Computer Techniques (Holdings), a private company based in Birmingham selling a wide range of computer based systems.

B. & Q. coming to market

A do-it-yourself and garden accessory company B and Q is planning a public quotation in May, according to Kleinwort Benson, the merchant banker which is preparing the prospectus.

THE STANDARD LIFE ASSURANCE COMPANY

THE ONE HUNDRED AND FIFTY THIRD ANNUAL GENERAL MEETING of the Company will be held in the Head Office, 3 GEORGE STREET, EDINBURGH, on TUESDAY, 20th MARCH, 1979, at 2.30 p.m.

My secretary told me to play golf so she could get the real work done



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...with the plans in hand, during the course of the next eighteen months the trading results should again reach acceptable levels

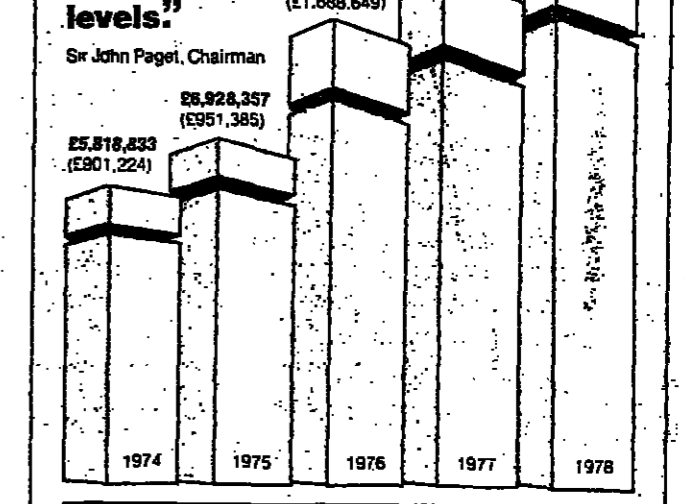


Table with columns: Year to 31st October, 1978, 1977. Rows include Turnover, Profit before tax, Taxation, Profit after tax.

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Lex service nears £18m— Higher costs boost from Volvo side slow Corah

ORD PRE-TAX profits of £2m for 1978 by the Lex Group compare with last year's forecast of not less than £1.2m and with £1.2m in 1977. Half profits had risen from £3m to £3.7m. Basic earnings per share are £27.6p against 20.58p in 1977. Extraordinary items, and a dividend of 2.7p makes expected 4.5p on capital raised by the rights issue—previous total was 3.465p. Trevor Chinn, chairman, said the year was one of substantial progress with the Volvo side in particular achieving outstanding results in buoyant car market.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's statements.

TODAY

Interim—Audio Fidelity, Brecken Mines, Kinross Mines, Laska Gold, East Lancashire Paper, George H. Scholtes, Telefunken, Winkelsaat.

FUTURE DATES

Company	Date
Burgess Products	April 5
Plico	Mar. 25
Rosario Constructions	Mar. 27
Second City Properties	Mar. 15
BTI	Mar. 14
Cape Industries	Mar. 13
Diamond Shamrock Europe	Mar. 16
East Lancashire Paper	Mar. 13
Gough Brothers	Mar. 16
Lead Industries	April 11
Parsons	Mar. 15
Refuge Assurance	Mar. 15
Trancoral	Mar. 15
United Biscuits	Mar. 15

able range, improved productivity and tight control of expenses and working capital. Although order books are currently better than a year ago, there is still room for improvement, they add. On earnings of 20.2 cents (8.5 cents) a dividend of 13.5 cents (7.5 cents) has been declared.

Harris and Sheldon goes ahead

TAXABLE profits of Harris and Sheldon Group were well up to expectations for the year to December 31, 1978. At mid-way the directors said they expected profits would not be less than the £3.4m for 1977. In fact, the group pushed the pre-tax surplus up to £4.04m on turnover ahead from £3.54m to £4.11m. After tax for the year of £2.06m, against £1.78m and an extraordinary debit of £109,000, compared with £55,000, stated earnings per share are up from 6.3p to 7.4p per 25p share. The final dividend of 1.74p net lifts the total from 2.97p to 3.31p, and there is a proposed one-for-two scrip. The group's interests include consumer products ranging from travel goods to sporting equipment, and capital goods which take in office equipment and general engineering.

ON SALES ahead £3.5m at £36.63m Corah lifted taxable profits from £3.31m to £3.53m in the year to December 29, 1978. The knitted clothing and fabrics group, which is Marks and Spencer's largest supplier, say that increasing costs brought margins under pressure in the second half. At mid-way the surplus was up from £1.45m to £1.71m. However, the company anticipates a further year of sales and profits' growth. The directors say that the forward order book for all areas of business is strong and that in the current year they will be concentrating on improving efficiency and productivity. The year's pre-tax figure was struck after Canadian exchange losses down £100,000 at £112,000. Of the taxable profit, £3.54m (£3.33m) was earned in the UK and £99,000 (£100,000) in Canada. The Board says that direct exports increased by 30 per cent, but the cost of establishing new export markets reduced profits in the short term. Tax took £835,000, against £1.17m. Liquidity improved by £481,000 to £1.2m, while capital investment rose from £646,000 to £1.2m including the purchase of two premises. The final dividend is lifted from 1.05p net per 25p share to 1.17p, making a total of 2.07p (£1.8514p). Earnings per share before tax are shown as 12p (£1.13p), and 9.1p (£7.3p) after tax.

months has left Corah's full-year profits only 7 per cent higher, compared with Nottingham Manufacturing's 13 per cent rise after stripping out an exceptional item. The reason for the second half slowdown is that costs jumped significantly as a result of the company's decision to employ an additional 300 people to handle the extra capacity coming on stream. Although difficult to quantify, these additional costs clearly took the shine off what was a more buoyant period of trading. This year Corah should start reaping the benefits of the expansion programme and the multi-Abre arrangement, although much will depend on the level of consumer spending. At 89p the shares are on a p/e of 4.2 (low tax charge) while the yield is 8.2 per cent—a rating supported by the company's association with Marks and Spencer, which accounts for two-thirds of group sales.

D. Crouch progresses to £2.8m

FOLLOWING THE rise from £0.93m to £1.15m at mid-way, pre-tax profits of Derek Crouch improved from £2.47m to £2.83m in 1978. Sales were higher at £42.8m against £30.85m. In their interim report, the directors said that the group's liquidity position was strong and they were confident that the year's results would not be disappointing. After tax of £1.48m (£1.22m) earnings per share are shown at 14p, against 12.91p. The final dividend is 3.11p lifting the total from 2.987p to 4.382p. Mr. D. C. Crouch, chairman, has waived the dividend to the extent of £51,000. The Peterborough-based group operates in open cast mining, earth moving, civil engineering and building construction.

City and Commercial

After tax of £265,520 against £245,911, revenue of City and Commercial Investment Trust advanced from £429,869 to £478,721 for the year ended January 31, 1978. A final dividend of 0.97p per 25p income share raises the total payment from 1.819p to 2.03p net. Net asset value is shown at 2131p (£22p) per £1 capital share.

Comment
Service Group's rights issue cast of £17m pre-tax last year has proved remarkably profitable. Thus the near 44 per cent profit increase last year had a widely discounted and the shares added only 1p to 92p erday where the yield on the shadowed dividend increased 6 per cent. The Volvo distribution business was driving force behind the 37 per cent rise in UK stations were boosted, if locally, by the £850,000 fit of new stock payment ties. The outlook for total private vehicle registrations 1978 is probably rather flat as the year has apparently well with January Volvo registrations 31 per cent ahead he corresponding month last year. Details of the performances support, plant hire, commercial vehicles and hotels must wait publication of the accounts paying tax at less than 12 per cent. Lex is building up a significant level of retention to further impetus to recent steel de-gearing. In context, another spate of three acquisitions would be as a surprise.

148,494
New
Equipment
A surplus of £24,774 on fixed assets, pre-tax of New Equipment rose £113,045 to £148,494 in the October 31, 1978. The turnover of this manufacturer of heavy steel furniture, was £118m against £178m. The net dividend is lifted from 1p per 10p share to 0.56p, or 0.995p (£0.901p). Tax £80,490 (£63,302). Half-way, pre-tax profits up from £45,649 to £86,836.

Scottish Cables well ahead

For 1978 Scottish Cables, 53.4 per cent-owned South African electrical cable manufacturing subsidiary of British Insulated Cables, announces pre-tax profits up by £2.31m to £4.11m. Tax takes £1.68m (£1,780,000). The directors attribute the profit improvement to development of the company's

Securicor confident of growth

THE BROAD spread of operations and activities and favourable trends overseas, justify the expectation of continued growth in the year ahead for Securicor Group, says Mr. Peter Smith, the chairman, in his annual statement. Looking at the short term, the chairman says that any worsening of national instability over pay and prices would add to operating costs and affect recruitment necessary to meet any expansion of demand. These factors, allowing also for a period covering the initial development of the group's extended parcels service, would put pressure on UK profit growth in the short term, he states. As already known, group pre-tax profits rose nearly 20 per cent to £5.42m for the September 29, 1978 year, on turnover of £121.1m (£100.8m). Security Services, the listed subsidiary, contributed £4.75m, on £118m turnover. Group fixed assets increased £6.4m to £27m during the year and net assets by £9m to £30m. Liquidity and working capital showed a marked improvement with cash and short-term invest-

Securicor confident of growth

ments at £11.6m (£6.6m) and overdrafts and advances down from £2.5m to £1.3m. This derived from re-financing of European bank borrowings by a medium-term secured loan, from the proceeds of last June's rights issue and from improvement in retained profit. Profit from overseas more than doubled to £620,000, in spite of a reduced return from the group's Malaysian company, now 51 per cent owned by local interests. The chairman says this result reflects substantial improvement in Holland and Belgium, following strengthening of the local management, and continued advances in all other territories. Meeting, Eccleston Hotel, SW, April 4, 12.30 pm.

Scottish Western portfolio plans

Mr. J. A. Lumsden, chairman of Scottish Western Investment Co., tells shareholders in his annual review that the directors will continue to maintain a balanced portfolio based primarily on the major economies of the U.S., UK and Japan. But, he adds, there will be significant interest in other areas such as Brazil, Europe, Asia and Australasia. "Our objective is to achieve maximum growth in net asset value per share combined with a steady increase in dividends," he states. As reported on February 13, earnings per 25p share are 2.7p (£2.24p)—2.61p (£2.15p) assuming full conversion of "B" shares—and the dividend is lifted to 2.55p (£2.2p) with a final of 1.85p. Net asset value per share was 125.6 (£110.6p). A one-for-two scrip issue to ordinary and "B" ordinary shareholders is also proposed. Pre-tax revenue rose from £1.94m to £2.48m and the available amount came out at £1.38m, against £1.13m. Mr. Lumsden, warns that Britain should not be lulled into a false sense of security, by the presence of North Sea oil. He says that this could, "further delay the measures necessary to improve the productivity of UK industry." Meeting, Glasgow, April 2 at 11 am.



Banking



Company News



Property



Insurance



Investment



Money Markets

IT'S ALL IN TODAY'S FINANCIAL WEEKLY

ALSO IN TODAY'S ISSUE
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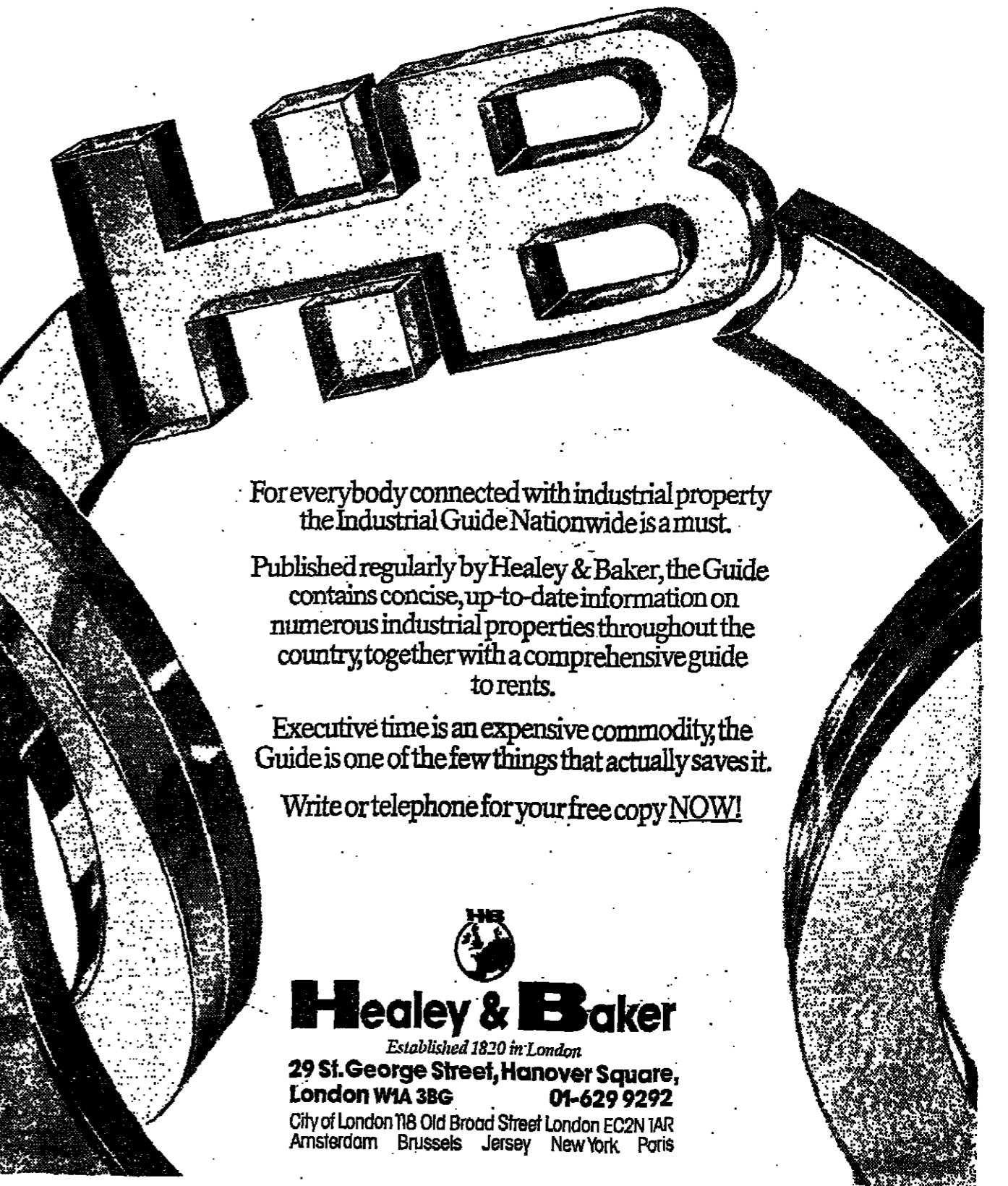
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WHITE MOTORS-MAN LINKS

Busy transatlantic highway

BY JOHN WYLES IN NEW YORK

CALLING IN the old world to help solve some of the difficulties of the new is fast becoming an American business tradition. Last week, White Motors became the latest U.S. company to opt for a "European solution" for its problems.

whether the 74-year-old Cleveland company could survive. The 1974-75 recession sliced more than 20 per cent off the volume of the U.S. truck market and nearly halved White's sales just when the company's debt equity ratio was climbing towards parity under the weight of financing a new line of trucks and a new assembly plant at New River Valley, Virginia.

Among other things, White was suffering from nearly the full impact of Consolidated Freightways' decision to take over the distribution of its Freightliner brand of heavy trucks. Apart from making it more difficult to sustain White's very reputable dealer network, loss of Freightliner distribution has sliced nearly \$400m off White's sales figures.

Neither is farm machinery, which accounted for \$307.5m of White's \$1.03bn 1978 sales, a great money spinner with an operating margin of just over 2 per cent. Quite apart from the capital injection which will help reduce its debt burden, White must be looking for a variety of aid from MAN to strengthen the company. Dollar sales of its trucks last year rose 27 per cent to \$562m but this gain is clearly at the expense of profit margins and has been achieved by selling substantially below some competitors' prices.

Woolworth and Rockower end license agreement

NEW YORK — F. W. Woolworth and Rockower Brothers said they have reached an agreement in principle which will result in the termination of all Rockower licenses to operate Mercedes and boy's departments in U.S. Woolco department stores.

in connection with early terminations. The transactions are subject to certain conditions, including preparation of a definitive agreement, approval by directors of both concerns and approval by Rockower shareholders.

RESULTS IN BRIEF Sharp rise in earnings at Gulf & Western

AT THE end of the first six months trading, net earnings of Gulf and Western Industries are 45 per cent ahead at \$115.8m, or \$2.29 a share against \$1.19, said the company yesterday.

and silver alloys manufacturer, announced net earnings for 1978 of \$12.9m or \$1.91 a share against \$11.1m or \$1.65 last year. Sales increased from \$381.7m to \$465m. The final quarter saw earnings rise from \$2.8m to \$3.3m, or from 42 cents a share to 49 cents, on sales of \$124.7m against \$102.9m.

Bethlehem Steel sees strong market

BETHLEHEM — Bethlehem Steel Corporation is operating at about 80 per cent of its capacity and "they indicate that it will be able to sustain that rate through the first half of 1979, Mr. Lewis W. Foy, chairman and chief executive said.

The outlook for the second half of 1979 remained less certain because of the possibility of an economic slowdown some time before the end of the year. But despite those predictions, Bethlehem is hoping to do better this year than last in profits. In 1978 the nation's second largest steelmaker earned \$225.1m or \$5.15 a share on sales of \$8.18bn.

Decisions soon on foreign bank takeover moves

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Reserve Board has indicated that it will make decisions on the three pending applications for foreign banks to take over control of three large U.S. banks soon.

In the relatively near future, otherwise they will be approved automatically. The banks themselves are expecting a decision from the Fed this month. The three transactions are a bid by Hongkong and Shanghai Banking Corporation to acquire a controlling interest in Marine Midland Bank of New York, National Westminster Bank's

bid for a 75 per cent stake in National Bank of North America, and Standard Chartered Bank's bid for the Californian Union Bank.

RCA seeks major acquisition

BY OUR NEW YORK CORRESPONDENT

ANOTHER giant U.S. corporation, RCA, the telecommunications group, has indicated that it is actively seeking a substantial acquisition.

a major television network, NBC; the Hertz car rental business; Random House, the book publishing concern; the manufacture of televisions; and, of course, its global telecommunications and telex operations.

Later this year the company is expecting to receive some \$200m in cash from the sale of its Alaskan telecommunications business.

Over half Canada's top groups in foreign hands

BY VICTOR MACKIE IN OTTAWA

MORE THAN half of the 500 leading enterprises in Canada were foreign controlled, according to a report released by the Government Statistics Bureau showing that 275 of the 500 largest non-financial corporations were foreign controlled.

represented only one-quarter of all companies — accounted for 64 per cent of corporate profits and 53 per cent of sales, and that the composition of this top quarter of the corporate sector was almost unchanged in 1978 from the previous year.

Seagram set for record

MONTREAL — The chairman of Seagram, Mr. Edgar Bronfman said fiscal 1978 will be the company's third straight record year, while earnings for the second quarter were 12 1/2 per cent higher than the \$11.9m or 34 cents a share a year ago.

HONDA MOTOR CO., LTD. (Honda Giken Kogyo Kabushiki Kaisha) U.S. \$50,000,000 5 1/2 PER CENT CONVERTIBLE BONDS 1989. The Nikko Securities Co., (Europe) Ltd. J. Henry Schroder Wagg & Co. Limited Deutsche Bank Aktiengesellschaft Union Bank of Switzerland (Securities) Limited Crédit Lyonnais Robert Fleming & Co. Limited Merrill Lynch International & Co. Mitsubishi Bank (Europe) S.A.

FT INTERNATIONAL BOND SERVICE. The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Handwritten Arabic text: هكمان الأهمل

INTERNATIONAL COMPANIES and FINANCE

Profit and dividend growth at Veba

By Our Bonn Staff
EBA, the West German energy and chemicals group, is doubling its dividend to DM 8 per share, following an increase in after-tax profits to DM 176m (493m) a year from DM 70m in 1977. The dividend will include a special DM 1.50 per share bonus to mark the group's 50th anniversary and will give shareholders a total of DM 9.50 per share, compared to DM 4.69 last year.

AEG-Telefunken sees 1979 recovery

By ADRIAN DICKS IN BONN
AEG-TELEFUNKEN, the troubled West German electrical giant, made a loss of DM 350m (\$190m) last year - close to the midpoint of the DM 300-400m forecast by the chairman, Herr Walter Cipa, last December.

than the DM1bn allocated for the purpose to reserves. Total sales last year were at DM1.1bn a little below expectations, and would have been 4 per cent lower without the new consolidation of Hartmann and Braun, from last year. Despite gains in some major domestic markets, there were also disappointments in such customer industries as power generation and distribution and consumer durables.

Sharp advance at Total group

By TERRY DODSWORTH IN PARIS
COMPAGNIE FRANCAISE des Pétroles, the parent organisation for the French oil group Total, showed a marked improvement in profits last year following a recovery in its refinery and distribution interests. But CFP stressed yesterday that its results would have been better if the refinery activities, which lost money in the first three-quarters of 1978, had returned to full health.

The company, which is 35 per cent state owned, adds that the improvement in its results is due essentially to the increase in prices which it was able to make in the last quarter of the financial year. Meanwhile Usinor, the largest of the French steel groups created under the government backed re-organisation plan eight months ago, expects to lose FF1.1bn this year (\$233m). This compares with a loss of FF1.2bn in 1978.

SCA earnings better than expected

By Our Stockholm Staff
SVENSKA CELLULOSA (SCA), the Swedish forest products conglomerate, reported a 1978 profit before taxes, allocations and extraordinary items of SKr 273m (\$62.9m), down 19 per cent from SKr 337m the previous year. This was about the level predicted in the eight-month report.

Novo falls short of forecast

Novo, the Danish pharmaceutical and biotechnology company which obtained a down share listing last week, failed to meet its sales profit forecasts for 1978 as a result of adverse currency movements. At the pre-tax level, profits fell to DKr 97m (\$18.7m) from DKr 103m, thus falling outside the DKr 105-115m range dictated last September. Sales at DKr 830m against a forecast figure of DKr 850m.

IRI head quits amid public row

By RUPERT CORNWELL IN ROME
SIG. ALBERTO BOYER has handed in his resignation as managing director of the giant state sector conglomerate Istituto per la Ricostruzione Industriale (IRI), amid a fierce public row with the new chairman, Sig. Pietro Sette.

ostensibly because of alleged irregular real estate operations by an IRI subsidiary in Iran. But the belief was widespread that the attack was linked to the complicated political wheel-dealing over the appointments. In a letter made public this week, Sig. Boyer spoke of "personal and professional reasons which had made him decide to quit IRI, which with 540,000 employees and over L14,000bn (\$17bn) of turnover, is Italy's largest industrial enterprise, in particular he criticised the posting of former ENI executives to key jobs in IRI.

Dutch publishers propose magazine merger talks

By CHARLES BATCHELOR IN AMSTERDAM
FOLIO GROEP, part of the recently-formed Elsevier-NDU publishing group, is holding merger talks with a subsidiary of Kluwer, the third largest publisher in Holland. Links between Elsevier-NDU and Kluwer will be confined to the area of special interest magazines and there are no plans for any closer contact between the parent concerns, a Folio spokesman said. The merger of Elsevier and NDU, which took effect earlier this month, raised fears for a concentration of publishing power in Holland.

East Asiatic setback leads to payout cut
By Hilary Barnes in Copenhagen
EAST ASIATIC, the Danish trading industrial and shipbuilding group, proposes a cut in dividend from 12 per cent to 10 per cent after reporting a fall in earnings and turnover in 1978. The poor results were attributed to depressed conditions in world shipping markets and the increased capital costs of modernising its merchant fleet.

Astra taps shareholders

By WILLIAM DULLFORCE IN STOCKHOLM
ASTRA, the Swedish pharmaceutical group, is raising SKr 108.3m (\$25m) in a one-for-three rights issue at SKr 100 per share. Shareholders will also benefit from a one-for-three scrip issue, which together with the rights issue will increase the parent company's share capital from SKr 162.5m to SKr 370.5m.

Net earnings were down from DKr 105m to DKr 103m (\$20.5m) and turnover was down from DKr 23.1bn to DKr 18.5bn (\$357m). It is the second successive year that the group has incurred a drop in earnings. Gross operating profits declined from DKr 1.40bn to DKr 1.28bn and pre-tax earnings from DKr 337m to DKr 277m. Net financial costs increased from DKr 387m to DKr 414m and depreciation costs from DKr 300m to DKr 331m.

Cement-Roadstone plans rights issue

By OUR DUBLIN STAFF
IRELAND'S largest industrial company, construction group Cement-Roadstone Holdings, plans to raise £29.2m via a rights issue. The announcement comes at the end of an encouraging year for the group during which, despite an 11-weeks' strike in the company, CRH showed a 23 per cent increase in pre-tax profits to over £18m. Sales rose 29 per cent to £194.4m and the dividend is also going up. Total dividend for the year 1978 represents a 30 per cent increase over 1977, and the board expects to recommend total dividend for this year at 4.62p per share.

the loss of production during the strike. The directors also describe the operation of price controls as disappointing and say it allowed an unsatisfactory return on their recent major investment at Platin. The rights issue will involve more than 34m Ordinary shares and be issued on a one-for-four basis at 88p. The Irish Life Assurance Company has agreed to take up more than 3m of the new shares and the balance of the issue is being underwritten by the Investment Bank of Ireland and S. G. Warburg and Company.

Although CRH has a large cash flow and substantial bank facilities, the board considers it is time to enlarge the company's equity base. The group now operates extensively in the UK, Holland and the U.S., having acquired the largest builders' merchants in Scotland, W. Henderson (Holdings) and an American concrete products firm, Ancor Inc. Although the directors say they must have regard to the business climate in those countries as well as in Ireland, they regard the year ahead as promising.

the critical role of the construction industry and your group is moving with all its resources to co-operate in the national objective," the board says. "Provided we enjoy stability in the working environment, we expect to maintain good growth."

FIDELITY AMERICAN ASSETS N.V.

REGISTERED OFFICE: SCHOTTEGATWEG OOST, SALINJA, CURACAO, NETHERLANDS ANTILLES.

Notice of Annual General Meeting of Shareholders

Please take notice that the Annual General Meeting of Shareholders of Fidelity American Assets N.V. (the "Corporation") will take place at 3:00 P.M. at Schottegatweg Oost, Salinja, Curacao, Netherlands Antilles on March 20, 1979. The following matters are on the agenda for this meeting: 1. Report of the Management. 2. Election of eight Managing Directors. The Chairman of the Management proposes the re-election of the following eight existing Managing Directors: Edward C. Johnson 3d, William L. Byrnes, Lord James Crichton-Stuart, Charles A. Fraser, Hisashi Kurokawa, John M. S. Patton, James E. Tonner, Maduro & Curiel's Trust Company N.V., Curacao, Netherlands Antilles.

FIDELITY INTERNATIONAL FUND N.V.

REGISTERED OFFICE: SCHOTTEGATWEG OOST, SALINJA, CURACAO, NETHERLANDS ANTILLES.

Notice of Annual General Meeting of Shareholders

Please take notice that the Annual General Meeting of Shareholders of Fidelity International Fund N.V. (the "Corporation") will take place at 2:0 P.M. at Schottegatweg Oost, Salinja, Curacao, Netherlands Antilles, on March 15, 1979. The following matters are on the agenda for this Meeting: 1. Report of the Management. 2. Election of seven Managing Directors. The Chairman of the Management proposes the re-election of the following existing Managing Directors: Edward C. Johnson 3d, William L. Byrnes, Lord James Crichton-Stuart, Charles A. Fraser, Hisashi Kurokawa, John M. S. Patton, James E. Tonner, Maduro & Curiel's Trust Company N.V., Curacao, Netherlands Antilles.

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Crédit Lyonnais S.A. PKbanken International (Luxembourg) S.A. Société Générale Alsacienne de Banque Luxembourg
February 1979

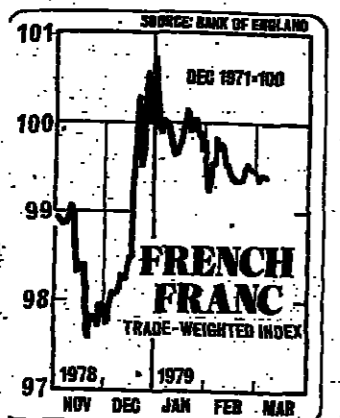
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CURRENCIES, MONEY and GOLD

Sterling strong dollar weak

STERLING CONTINUED to rise... the dollar remained weak... the pound opened at 2.070-2.080...

vention by the Swiss authorities... also helped to reduce the dollar's fall against the Swiss franc...



\$2.0420-2.0430, a rise of 80 points on the day... Sterling's trade-weighted index... calculated by the Bank of England...

On Bank of England figures... the dollar's index fell to 84.3 from 84.5... according to Morgan Guaranty...

FRANKFURT — The Bundesbank did not intervene when the dollar was fixed at DM1.8515 against the D-mark...

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. for various currencies like UK, Ireland, Canada, etc.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. for various currencies like U.S., Canada, France, etc.

OTHER MARKETS

Table listing market rates for various countries including Argentina, Australia, Brazil, etc.

CURRENCY RATES

Table showing currency rates for Sterling, U.S. Dollar, Deutsche Mark, etc.

EXCHANGE CROSS RATES

Table showing cross rates between Sterling, U.S. Dollar, Deutsche Mark, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various currencies and terms like 12 months, 18 months, etc.

INTERNATIONAL MONEY MARKET

New York rates remain steady... Interest rates in New York maintained their recent steady end yesterday...

GOLD Weaker trend

Gold fell \$2 to close at \$238.23... Gold fell \$2 to close at \$238.23 after a very quiet day...

UK MONEY MARKET

Further seven days lending... Bank of England Minimum Lending Rate 15 per cent (since March 1, 1979)...

MONEY RATES

Table showing money rates for New York, Germany, France, Japan, etc.

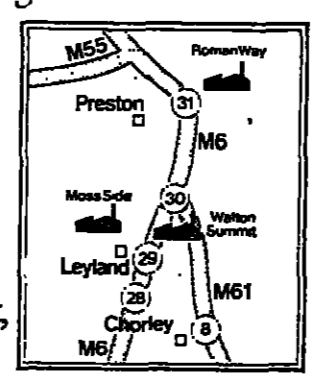
LONDON MONEY RATES

Table showing London money rates for various terms like overnight, 14 days, 1 month, etc.

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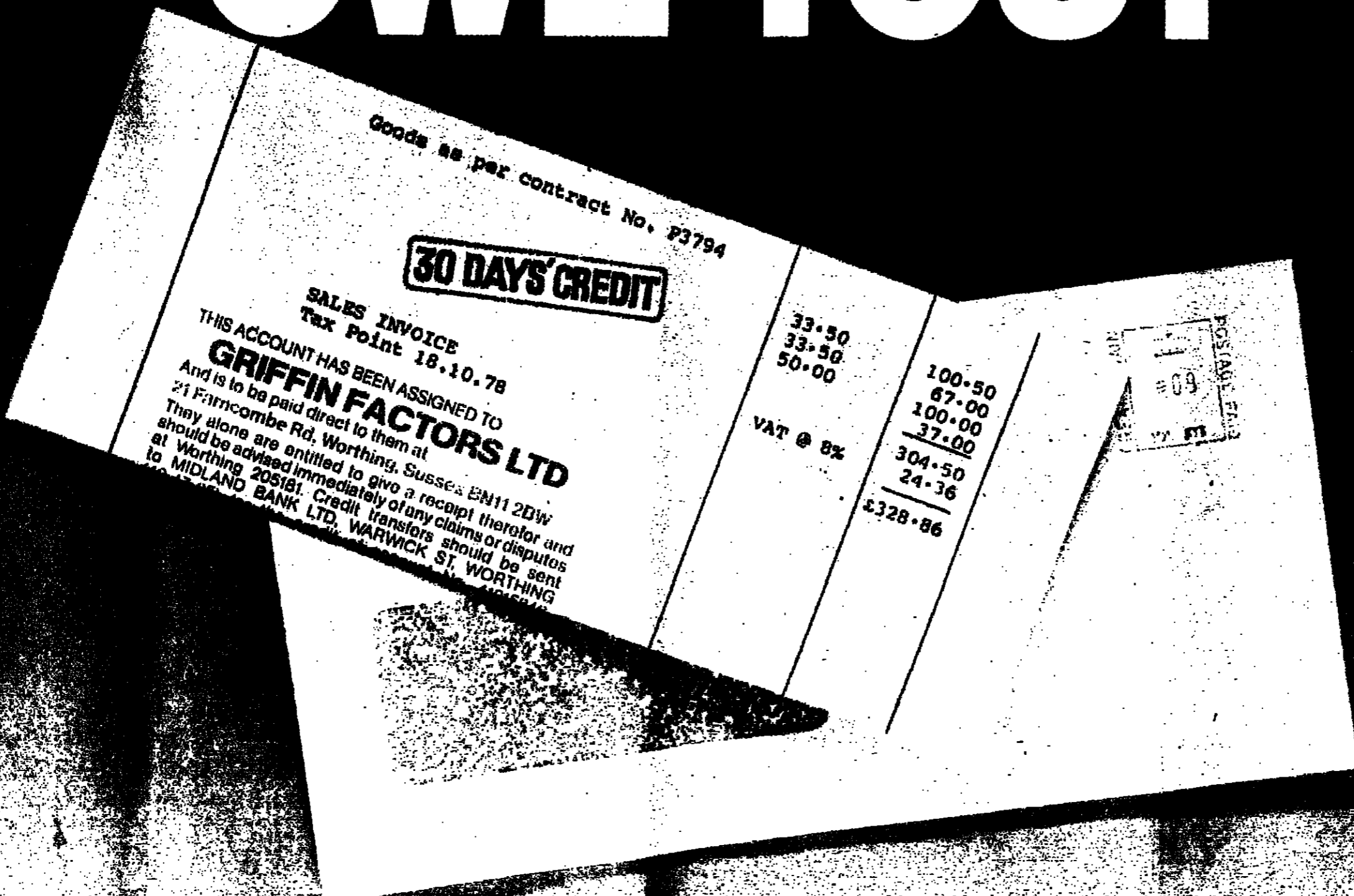


Form for requesting information about Central Lancashire, including fields for Name, Position, Company, and Address.

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Advertisement for Lufthansa International Finance N.V., offering DM 50,000,000 6 1/2% Deutsche Mark Bonds of 1979/1986.

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Companies and Markets

Wall St. fractionally higher at mid-session

INVESTMENT DOLLAR PREMIUM... Effective 3/2/79... WITH SPECULATIVE... The Dow Jones Industrial Average, after gaining 7.7 the previous day and further improving to 836.28 at 11.00 am yesterday, came back to 834.63 at 1 pm, only 0.34 above the overnight level.

quarter net profits and hardened... THE AMERICAN SE Market Value Index advanced 0.76 more to 165.55 at pm on increased volume of 1.7 bn shares... Among Gaming shares: Golden Nugget moved ahead 3/8 to \$27 and Resorts International "A" to \$51.

ing gains of DM 1.30. Hoechst rose DM 1.00 and Degussa climbed DM 2.30... Some 1,264 Bourse employees voted to continue the strike, while 908 voted to return to work, the union stated, but added that any new management proposals will be put to the vote and the strike could be suspended before March 16 if the vote is favourable.

Indices

NEW YORK - DOW JONES table with columns for Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low, 1978-79, Since Comp'l '79

STANDARD AND POORS table with columns for Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low, 1978-79, Since Comp'l '79

INDICES table with columns for Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low, 1978-79, Since Comp'l '79

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INDICES table with columns for Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low, 1978-79, Since Comp'l '79

NEW YORK

Stock market listing table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low

CANADA

Stock market listing table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low

TOKYO

Stock market listing table with columns for Stock, Mar. 9, Mar. 8, Mar. 7, Mar. 6, Mar. 5, High, Low

WEDNESDAY'S ACTIVE STOCKS

Table of active stocks with columns for Stock, Price, + or - Div. Yld. %

EUROPEAN OPTIONS EXCHANGE

Table of European options with columns for Series, Vol., Last, Stock

BASE LENDING RATES

Table of base lending rates with columns for Bank, Rate

AMSTERDAM

Table of Amsterdam market data with columns for Stock, Price, + or - Div. Yld. %

BRUSSELS/LUXEMBOURG

Table of Brussels/Luxembourg market data with columns for Stock, Price, + or - Div. Yld. %

Financial Rand U.S. 90.75 (Discount of 36.0%)

THE PROPERTY MARKET BY CHRISTINE MOIR

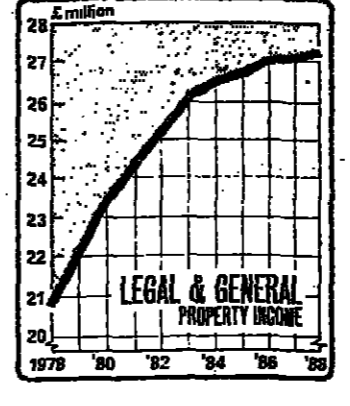
Carena Bancorp studies EPC bid Static office yields ahead

CARENA BANCORP, the private Canadian company owned by the Broadman Brothers is clearly contemplating an independent bid for English Property Corporation...

York, the other private Canadian suitor, it signed an agreement with Carena over Trizec, in which EPC has a 30 per cent stake.

Olympia is offering. Carena seems to have decided to go it alone. If it wins EPC, of course, the deal with Wereldhave would be null and void since Carena would inherit EPC's 30 per cent of Trizec to add directly to its own 30 per cent.

MR. PETER SIM, Legal and General's property fund manager, expects office yields to remain static this year because the market is pretty well in balance.



fund was considerably less liquid than it had been 12 months previously. Short term investments totalled only 8.4 per cent compared with 12.4 per cent although the actual sum involved—£35m—was identical.

Leases have been exchanged on 86,000 sq ft of warehousing at the Thornton Road, Croydon scheme owned by Fleming Property Unit Trust and developed by London Mercantile Holdings.

OBITUARY Stephen Laurie

STEPHEN LAURIE died on Friday, March 2, after a very short illness, at the age of 43. Between 800 and 900 people attended the funeral at the United Jewish Cemetery at Eushey.

Northfield land report delayed

THE REPORT by the Northfield Committee on the pattern of ownership of agricultural land is in its final draft. But there is little chance that it will see the light of day for at least three or four months — and possibly longer.

that the report will be delayed until after the election, although the committee itself will only say that publication cannot be expected until June at the earliest.

He himself gave the impression during public meetings that he thought some of the fears about institutional penetration were hysterical and unfounded.

Ludgate Hill lease move

THE KEY to the £15.75m purchase by Prudential Assurance of the long leasehold of Juxon House on Ludgate Hill, London, was the restructuring of the lease held by the main tenant, Barclays Bank Trust.

Hampshire estates attract

FOLLOWING last week's news of forward investment sales on the Chandlers Ford industrial estate in Eastleigh, Hants, comes further confirmation of the area's popularity with industrialists.

Beard and L. S. Vail. The agents also note that in the past six months asking rents for the units have risen from £1.50 to £2. No wonder the developer is pressing ahead with the second phase of 116,000 sq. ft.

INDUSTRIAL AND BUSINESS PROPERTY

Advertisement for 'Drivers Jonas' featuring a map of industrial locations in the Midlands and East of England, including Peterborough, Cambridge, Bedford, Milton Keynes, Luton, Harlow, Chelmsford, Southend-on-Sea, Ipswich, Colchester, Bury St. Edmunds, Norwich, Great Yarmouth, and King's Lynn.

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Advertisement for 'DUNDAS HOUSE' by 'TRAFALGAR HOUSE'. Located at Brandon Street, Edinburgh. 121,000 square feet net approx. of superb accommodation with every amenity including 72 on site car parking spaces. NOW LEASING. Healey & Baker, 29 St. George Street, Hanover Square, London W1A 3BG. 01-629 9292.

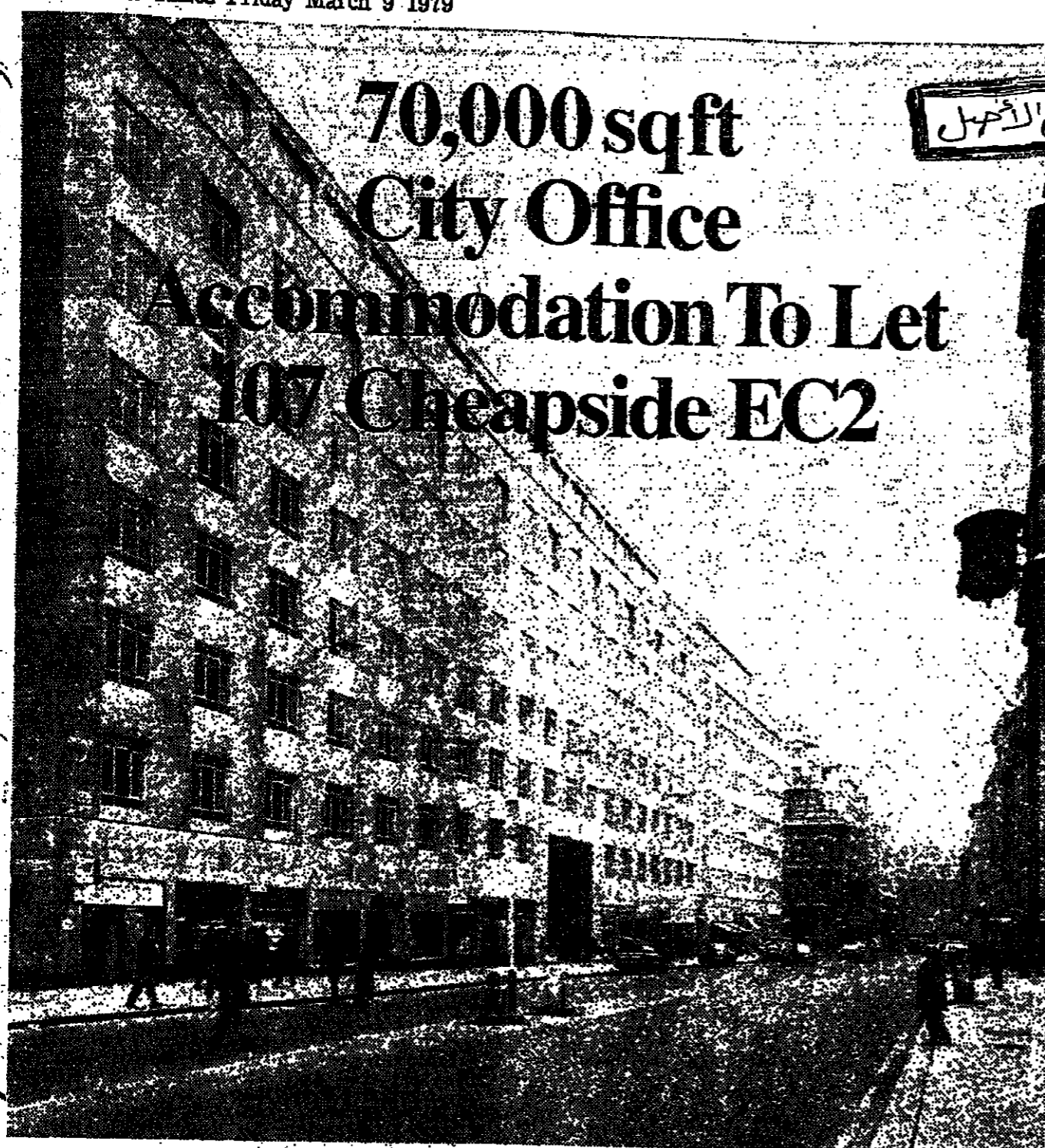
Advertisement for 'K for Industry' featuring various industrial units for sale or lease. Locations include AYLESFORD, Nr. Maidstone; CAMBERLEY; EDMONTON, N.18; ENDERBY, Leics.; HAYES (Close Heathrow); HEREFORD; KINGS CROSS (Close); POOLE. King & Co, Chartered Surveyors, 1 Snow Hill, London, EC1. 01-236 3000 Telex 885485 Manchester, Leeds and Brussels.

Advertisement for 'SOLAR HOUSE' by 'MARKEMOUTH SECURITIES GROUP'. New Prestige Air Conditioned Offices, 17,250 sq. ft. High Road, Whetstone, London N20. PEPPER ANGLISS & YARWOOD, 100 Old Bailey, London, EC1A 3DF. Telephone: 01-499 6868.

Advertisement for 'Chesterons West End Offices'. 75 Grosvenor Street, London, W1X 0JB TO LET. 01-499 0404. 8,300 Sq.Ft. W.1 Offices only £3.75 per Sq.Ft. Short lease. Immediately available. 470 Sq.Ft. W.1 Mayfair Office Suite. 2 Rooms, Kitchen, Bathroom, W.C. Immediate occupation. Various small office suites, N.W.1. Recently modernised building. CLIENTS' REQUIREMENTS: 5,500-6,500 Sq.Ft. Prime Mayfair location. Entire building or single floor. Major International Company seeks 1,200-1,400 Sq.Ft. Marble Arch west to Hammersmith. £6 per Sq.Ft. Chesterons, Chartered Surveyors. For all your property needs

Advertisement for 'HAMMERSMITH W.G. Air Conditioned Offices'. 14,500 sq. ft. All Amenities - Will Divide. Apply joint sole agents: Ref: PFL Keith Cardale GROVES, 41 North Audley Street, Grosvenor Sq W1Y 2AQ. 01-629 6604. Ref: JLM JOHN D WOOD, 25 North Audley Street, Grosvenor Sq W1Y 2AQ. 01-629 9050.

Advertisement for 'MANCHESTER OLDHAM STREET LARGE STORE TO LET'. 5,500 sq. ft. £6 per sq. ft. For further details: Healey & Baker, 25 Abchurch Lane, London EC4A 3DF. 01-629 9292.



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SOCIETE GENERALE
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FF 100,000,000 medium term loan signed

A ten-year FF 100 million loan for National Investment Corporation, Yaounde, was signed in Paris on Monday, February 19th. The loan was managed by SOCIETE GENERALE. It carries an interest rate of one and three-quarter per cent over the "taux de base bancaire" and is guaranteed by the United Republic of Cameroon.

National Investment Corporation was formed in 1964 as a state-owned institution; its purpose is the mobilisation of national saving with a view of promoting investment operations of economic and social interest in the industrial, agricultural and commercial fields. As at end June 1973 the financings granted to 75 companies amounted altogether FCFA 22 billion.

Representing the borrower at the ceremony was Mr. Amadou Bello, Chairman and Managing Director.

Baste
 March 24 to April 3, 1978

The war that never ends

We British are a peaceful people. When a war is over we like to consign it to the history books — and forget it.

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ENERGY REVIEW

The man who wants to know where the energy money goes

THE BRITISH Government will within the next few months through the Social Science Research Council, place contracts totalling the best part of £750,000 for a line of energy research that it has been rather reluctant to fund in the past. Broadly speaking, it can be called energy economics — the science of energy investment.

It is an area of considerable interest to the oil companies, to state energy industries and mining industries, but one largely neglected by Government except for some recent efforts within the Department of Energy. The Social Science Research Council began to examine the area in 1976, when it invited Mr. Michael Posner, Reader in Economics at the University of Cambridge, to identify areas of work it might undertake. Mr. Posner, 47, was economic adviser to the Ministry of Power in the 1960s, and since then successively to the Treasury, the IMF, the National Economic Development Office (NEDO), the Department of Energy and, most recently, British Rail.

The trouble with social scientists, as one well-known energy pundit who helped Mr. Posner to shape his report remarked recently, is that they produce 2 inch thick reports with no conclusions: "When you ask for the executive summary they just look surprised."

On January 1, Mr. Posner took over as chairman of the Social Science Research Council, smallest of the five research councils reporting to the Secretary for Science. It has a budget which this year will total about £15.6m of the total science vote of £266m, of which it spends only about £6m on research. It falls to Mr. Posner to implement the programme of energy research which he drew up in 1977-78 as chairman of the council's energy panel.

Since his research council has no laboratories or units of its own, it will be placing energy research contracts with university departments and "think tanks" throughout Britain. This will be much the biggest of four kinds of support for energy research, the others being the convening of energy seminars, fellowships for junior researchers, and funds for energy research centres. Together they total the biggest

single initiative by this research council: some £750,000 at January 1978 prices, spread over five years.

Was his colleague right about the inconclusive nature of much of this sort of work? When I asked Mr. Posner recently he cautiously replied that it was certainly important to write "fairly strong and tough contracts." But the venture was a new one, of which the research council was only just gaining its first experience as a customer for research. And it was essentially interdisciplinary research—"less full of technical fireworks than work in a narrow discipline." It is well understood that work in such an area is "less dazzling, rather harder to do, possibly rather more worthwhile."

One of the earliest suggestions, put forward by Sir Brian (now Lord) Flowers in 1977, was that someone might investigate the best way for a democratic society to reach the right decisions on energy investment. The Windscale Public Inquiry into the plans of British Nuclear Fuels to expand its reprocessing capacity offered a unique opportunity for study. Was the inquiry conducted by Mr. Justice Parker—which came to an unequivocal decision in favour of granting planning permission—the ideal way of dealing with a big energy project?

A don on Mr. Posner's energy panel was eager to study the subject. Professor David Pearce, professor of political economy at the University of Aberdeen, "had shown considerable technical and economic skills in his published work up to that time." He was given a modest grant of merely £8,000 to investigate the role of the public inquiry in energy policy. His brief was to look at the Windscale inquiry and to draw lessons for future public inquiries — not necessarily energy inquiries.

His final report will be published by Macmillan this autumn. "Nobody loves it very much," says Mr. Posner. "Do I agree with its conclusions? I think I say no." But he admits that he is unrepentantly a supporter of nuclear energy, and Professor Pearce sometimes barely hides his hostility towards the nuclear industry. The Energy Panel neither



Michael Posner: he wants tough contracts.

approved nor disapproved of the findings of the report, but suggested amendments, then agreed unanimously that they should be published.

Mr. Posner believes that Judge Parker did a good job with his Windscale report. But he also believes that Professor Pearce is probably right in concluding that something different is required for the next "national" energy planning inquiry. In the mid-1970s Mr. Posner himself was chairman of a planning inquiry in Leicestershire, and was struck by the disparity between the resources available to those for and those against the plans. "It was not really a fair contest."

Proposals embodied in Professor Pearce's report have already been endorsed by the Environment Secretary, Mr. Peter Shore, in a statement last September. For example, the Vale of Belvoir inquiry which begins next month to examine the National Coal Board's plans to open a large new mining venture in an area with no previous mining tradition will sweep in national questions relating to mining, and the possibilities for mining the coal elsewhere, as well as to the more traditional local matters such as environmental and economic impact. We could well add the UK Atomic Energy Authority being called to give a nuclear industry view on the need to develop new coal resources.

The most obvious structural change will be that the inquiry is divided into two parts, with the first embracing the national

issues, in the Environment Secretary's words "to assess the background and need." Its report will then form a major background document to the main site-specific inquiry in October. Mr. Shore has also indicated that he favours this two-part inquiry for the forthcoming one on the UK Atomic Energy Authority's plans for a fast breeder reactor.

But one of Pearce's Report on how decisions are reached is not enough, Mr. Posner believes. He wants half-a-dozen studies of the same kind, from which his energy panel might sort out the nuggets. He accepts that none will be impartial, but the aim would be to find independent analysts to provide "objective, scholarly, disinterested, but truly dispassionate view." One project already in progress is a study of the energy panel discussion, being mounted by a psychologist at the Law School of Economics, who is investigating how people make their domestic fuel-use decisions. Another project is a study of the energy panel discussion, being mounted by a psychologist at the Law School of Economics, who is investigating how people make their domestic fuel-use decisions. Another project is a study of the energy panel discussion, being mounted by a psychologist at the Law School of Economics, who is investigating how people make their domestic fuel-use decisions.

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World meat record forecast

Big EEC apple surplus destined for destruction

BY CHRISTOPHER PARKES
THE COMMON MARKET may be due to dump, bury or otherwise dispose of up to 500,000 tonnes of surplus apples left over from last year's crop.

Stockpile Sales Bill go-ahead

THE FIRST hurdle blocking sales of surplus commodities from the U.S. strategic stockpile was cleared yesterday with the passage by the House of a bill authorizing the sale of 35,000 long tons of tin from the stockpile.

Farm incomes top league

BY MARGARET VAN HATTEN IN BRUSSELS
The figures show that on a gross added-value basis, farm incomes rose 3.9 per cent a year between 1969 and 1978. Non-farm incomes rose only 3.4 per cent.

European plantings of beet to rise

WEST GERMAN sugar statisticians F. O. Licht expects European sugar beet plantings to rise this year.

DUTCH AGRICULTURE Cheap feed keeping pig industry alive

THE EUROPEAN pig industry is facing a crisis of over-production and could have found itself in very deep trouble indeed.

Restrictions in UK

The Dutch pig is claimed to have a higher lean content than any other in Europe, and while this claim is debatable, it produces a leaner, tastier pork.

Frequent changes

But manioc is not the only substitute by any means. Formulations are changed weekly, or even daily, as possible ingredients are constantly evaluated.

EEC food aid plan for Third World

BRUSSELS—The EEC Commission has proposed food aid to the Third World worth \$720m. The proposal includes 720,500 tonnes of cereals, 150,000 tonnes of milk powder and 45,000 tonnes of butter oil.

PRICE CHANGES

Table with columns for commodity names (Metals, Rubber, Soybean Meal, Sugar, Cocoa, Silver) and price changes (+/-) and current prices.

AMERICAN MARKETS

Table listing American market prices for commodities like Copper, Silver, Gold, and various oils.

Wednesday's closing prices

Table showing closing prices for various commodities including metals, grains, and oils.

EUROPEAN MARKETS

Table listing European market prices for commodities like Wheat, Corn, and various oils.

Advertisement for 'INDUSTRIAL AND IN THE AMERICAN SUN' with text about 'FOR SALE' and 'OLD TOYS'.

Advertisement for 'TISH COMMODITY MARKETS' and 'SE METALS' with contact information and market data.

Advertisement for 'INSURANCE BASE RATES' with details on property growth and vanburgh guarantees.

Advertisement for 'CORAL INDEX' with contact information and market data.

Advertisement for 'OLD SILVER PLATINUM' with details on buyers-processors-refiners and contact information.

Advertisement for 'Bull Markets in Metals' with text about commodity analysis and market opportunities.

Advertisement for 'CLUBS' with details on membership and contact information.

Advertisement for 'Commodity Analysis Ltd.' with details on their trading service and contact information.

LONDON STOCK EXCHANGE

Continued euphoria in markets leads to further sharp gains in Gilts and record high in All-share index

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Mar. 12 Mar. 22 Mar. 23 Apr. 3
Mar. 26 Apr. 5 Apr. 6 Apr. 18

Monitoring the current euphoria in stock markets, the F.T. Actuaries All-share index yesterday broke fresh high ground since compilation, the 30-share index strode through the 500-mark while Government stocks continued their steady rise to close a further £2 up in places.

High returns relative to the yields available in other industrialised countries induced further overseas support of Gilts and the continuing strength of sterling added to the basic attraction. The supply situation in gilts was particularly acute and tended to exaggerate the price movements; the longer of the new two partly-paid Government scrips, Treasury 13 1/2 per cent 2000-03, in which dealings started on February 23, settled at 22 1/2 for a premium of over 92 per cent on the issue price of £15.

The FT Government Securities index which leapt 1.50 more to 73.10 for a gain of over 13 per cent from last month's 1978/79 low of 64.64. Short-dated issues with gains to 11 but ended 1 or 2 below the best after encountering a burst of profit-taking just before the official close, while medium and longer stocks also ended marginally below the day's highest.

Trade became more evenly balanced in the investment currency market with institutional sources operating as both buyers and sellers. The premium initially fell to 7 1/2 per cent but rallied and closed a shade below the best at 8 1/2 per cent for a net recovery of 1 1/2 points. Yesterday's SE conversion factor was 0.714 (0.7138).

Building issues attracted a good two-way business. Blue Circle firm 5 to 287 1/2, while Cement Roadstone rose 4 to 116p. The latter in response to the annual results and proposed one-for-four rights issue. Redland jumped 10 to 56p in response to the excellent annual profits and property revaluation, but disappointing results left Taverer Rattledge down 4 at 64p, after 60p.

Subsidised by the chairman's review of current prospects, ICI ended just a penny harder at 397p. Fisons added another 5 to 325p and late interest lifted Pylsu 4 to 162p.

Trust Houses Forte claimed considerable attention in Hotels and Caterers rising 8 for a two-day gain of 18 to 300p. Persistent demand prompted a gain of 2 1/2 to 35 1/2 in Comfort.

Harris and Sheldon up Firm and extremely active conditions prevailed in the miscellaneous industrial leaders and incessant demand combined with stock shortage produced further substantial improvements. Bechuan rose 15 to 683p, after 688p, while Pilkington was a similar amount better at 317p. Still drawing strength from favourable comment on group's substantial dividend offer, Unilever put on 8 more to 618p, after 622p. Elsewhere, Harris and Sheldon advanced 7 to 61p in response to the better-than-expected annual results and proposed 50 per cent scrip-issue.

Persistent demand prompted useful gains in certain Properties Stock Conversion put on 10 to 32 1/2, and Great Portland 6 to 27 1/2, while Peachey revived with a rise of 1 to 130p. Declared improved to 15 1/2 and Property Holding and Investment 12 to 35 1/2 while on the bid front, English Property touched 63 1/2 before shading to 63p, up 1 on balance, awaiting developments.

Against the firm trend in Overseas Traders, United City Mercantile relinquished 2 to 49p following a good Johannesburg demand. Left Attack up 16 more to 104p for a two-day rise of 2 1/2. Elsewhere in the Oil leaders, British Petroleum continued to forge ahead and closed 15 to the good at 107 1/2. Among secondary issues, renewed speculative demand left Attack up 16 more to 104p for a two-day rise of 2 1/2.

Trading in Gilts, however, along with trading in all sections of mining markets, tended to be overshadowed by the considerable activity in gilts and equities.

The Rundle Oil shale partners again featured in a fairly active Australian section. Renewed American buying, reportedly on favourable U.S. Press mention, lifted Central Pacific Minerals more to 92 1/2—a two-day gain of 12 1/2—while Southern Pacific Petroleum climbed a further 10 to 210p for a rise of 40 over the past two days.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices (Government Secs, Fixed Interest, Industrial, Gold Mines, etc.) and their values for different dates.

NEW HIGHS AND LOWS FOR 1979
Table listing new highs and lows for various securities in 1979, including Government Securities, Fixed Interest, and Industrial.

RISES AND FALLS YESTERDAY
Table showing the daily price changes for various securities, categorized by type (British Funds, Foreign Bonds, etc.).

FOOD PRICE MOVEMENTS
Table showing price changes for various food items like Bacon, Butter, Cheeses, Eggs, Beef, Lamb, Pork, and Poultry.

Electrical issues were well to the fore in the general improvement and double figure gains were fairly commonplace. Kode responded afresh to the good preliminary results with a rise of 15 to 206p, after 215p. Gains of around 20 were recorded in Farnell, 480p, and Wholesale Fittings, 255p, while Reacal, 420p, and Electrocomponents, 395p, rose 11 and 10 respectively. In contrast, leading issues presented a mixed appearance with Plessey reacting 7 to 110p on disappointing figures.

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ACTIVE STOCKS
Table listing active stocks with columns for Stock, Denomination, Closing price, and Change.

OPTIONS
Table listing options with columns for DEALING DATES, First Deal, Last Deal, etc.

FT-ACTUARIES SHARE INDICES
Table showing share indices for various sectors like CAPITAL GOODS, DURABLES, NON-DURABLES, etc.

H & R Johnson-Richards Tiles
Advertisement for H & R Johnson-Richards Tiles, including a merger with Armitage Shanks and a takeover by Norcros. Includes contact information and a deadline for Monday 12th March 1979.

LONDON TRADED OPTIONS
Table listing London traded options with columns for Option, Expiry, Closing price, etc.

RECENT ISSUES
Table listing recent issues with columns for Issue Price, Latest Price, etc.

FIXED INTEREST STOCKS
Table listing fixed interest stocks with columns for Issue Price, Latest Price, etc.

"RIGHTS" OFFERS
Table listing rights offers with columns for Issue Price, Latest Price, etc.

FIXED INTEREST PRICE INDICES
Table listing fixed interest price indices with columns for British Government, 1-5 years, etc.

AUTHORISED UNIT TRU

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Handwritten note: 'مكتبة الجليل'

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as 'Any Unit Tr. Mgrs. (a)', 'Friends' Provid. Unit Trs. Mgrs.', 'Funds in Court', 'G.T. Unit Managers Ltd.', etc.

Table listing 'Minister Fund Managers Ltd.', 'MLA Unit Trust Mgmt. Ltd.', 'Murray Johnsons Unit Tr. Mgrs. (a)', etc.

Table listing 'Provincial Life Inv. Co. Ltd.', 'Schlesinger Trust Mgrs. Ltd.', 'Target Tr. Mgrs. (Scotland) (a)', etc.

Table listing 'Transatlantic and Gen. Secs. Co.', 'Tyndall Managers Ltd.', 'Van Der Grinten & Co. Ltd.', etc.

Table listing 'Wallersteiner Trust Mgrs. (a)', 'Wardlaw & Co. Ltd.', 'Waterside Investments Ltd.', etc.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas funds such as 'Alexander Fund', 'Keyser Ullmann Ltd.', 'Allen Harvey & Ross Inv. Mgt. (C.I.)', etc.

INSURANCE AND PROPERTY BONDS

Table listing various insurance and property bond companies including 'Abhey Life Assurance Co. Ltd.', 'Aberdeen Life Assurance Co. Ltd.', 'AEGV Life Assurance Ltd.', etc.

PROPERTY BONDS

Table listing various property bond companies such as 'London Indemnity & Gen. Ins. Co. Ltd.', 'Royal Insurance Group', 'Save & Prosper Group', etc.

NOTES

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various manufacturing firms, with columns for stock price, change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including estate agents, real estate companies, and property investment trusts.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Venture, British Overseas, and various international investment funds.

FINANCE, LAND—Continued

Table of finance and land-related stocks including banks, insurance companies, and land investment trusts.

DAIWA BANK logo and text: 'a fully integrated banking service', 'Head Office: Osaka, Japan'.

MINES—Continued

Table of Australian mining stocks including Anglo American, Anglo Coal, and various metal mines.

OILS

Table of oil stocks including Anglo Petroleum, Shell, and other energy companies.

OVERSEAS TRADERS

Table of overseas trading companies such as Anglo Siam, Anglo Japanese, and others.

RUBBERS AND SILK

Table of rubber and silk stocks including Anglo Rubber and other commodity traders.

TEAS

Table of tea stocks including Anglo Tea and other commodity traders.

INDIA AND BANGLADESH

Table of Indian and Bangladeshi stocks including Anglo India and other regional companies.

SRI LANKA

Table of Sri Lankan stocks including Anglo Ceylon and other regional companies.

AFRICA

Table of African stocks including Anglo Africa and other regional companies.

LEISURE

Table of leisure and entertainment stocks including cinema chains and holiday companies.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including car manufacturers and aviation companies.

SHIPPING

Table of shipping stocks including shipping lines and port companies.

SHOES AND LEATHER

Table of shoe and leather stocks including footwear manufacturers and leather goods.

SOUTH AFRICANS

Table of South African stocks including Anglo African and other regional companies.

TEXTILES

Table of textile stocks including clothing manufacturers and textile companies.

INSURANCE

Small table of insurance stocks at the bottom left corner.

PROPERTY

Small table of property stocks at the bottom middle-left corner.

TRUSTS, FINANCE, LAND

Small table of trusts, finance, and land stocks at the bottom middle-right corner.

FINANCE

Small table of finance stocks at the bottom right corner.

DIAMOND AND PLATINUM

Small table of diamond and platinum stocks at the bottom right corner.

REGIONAL MARKETS

Small table of regional market data at the bottom right corner.

OPTIONS

Small table of options data at the bottom right corner.

CENTRAL AFRICAN

Small table of Central African stocks at the bottom right corner.

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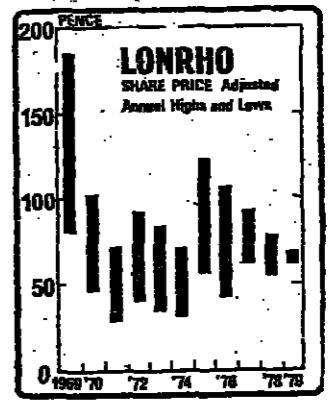
BELL'S
SCOTCH WHISKY
BELL'S

THE LEX COLUMN

Another dust-up at Lonrho

Lonrho is rumbling once again around Lonrho's headquarters. Prolonged proxy battles are a rarity in the UK company scene — but Lonrho is now coming up for its second such affair in six years. In 1973, an attempt by slight directors to remove chief executive Mr. R. W. Rowland was overwhelmingly defeated after an acrimonious public dispute. Now Gulf Fisheries, a Kuwaiti company which holds 21 per cent of the equity, is seeking to get two nominees on the Board. Under the articles of association, that means removing two Lonrho directors.

Index rose 3.4 to 500.3



Already there are conflicting stories about why this has developed into an open breach. One curious feature is that the five nominees originally had Board representation, but relinquished it at the end of 1978, apparently due to the pressure of other commitments. Another oddity is that Gulf professes itself satisfied with the earnings performance of Lonrho, and says it is only concerned about the share price. Yet the best answer to the question of why Lonrho's shares are so poorly rated is that it is just too prone to yesterday's type of brouhaha. Neither side can gain from a public slanging match.

About the only undisputed issue is that the reasons for Gulf's investment disappeared along with Lonrho's failure to develop its Middle East activities on anything like the scale envisaged in the accounts for 1974 and 1975. Gulf is left with 40.5m shares currently worth £25.5m which — at a very crude guess — could be about a third less than it paid for them in terms of the Kuwaiti dinar.

Against this stands Mr. Rowland with 26.3m shares. Institutional involvement is tiny, and Gulf's one hope must be that some of Lonrho's new shareholders — brought in by the new acquisitions in the mid 1970s — will be less personally committed to Mr. Rowland than the old brigade. The issued share capital has more than trebled since the 1973 affair.

The probability is that both sides will be writing to shareholders in the next 30 days. The final touch lies in Gulf's choice of advisers: little love has been lost between Lonrho and Robert Fleming since the latter resigned in a very public manner as advisers to Scottish and Universal Investments following Lonrho's investment in the group.

Royal Dutch/Shell
Royal Dutch/Shell's published figures for 1978 show a 21 per cent drop in net income to £1,090m, superficially a bad result for a year that saw a 3.6 per cent rise in oil sales volume. Underneath the distortions produced by stock accounting and currency effects, earnings were more or less flat.

But in the fourth quarter income moved smartly ahead:

Weather
UK TODAY
RAIN at times in most places. Gale and snow over high ground in Scotland and Ulster. Max. 9C (48F).
London, Cent. S. SE, England, Midlands, S. Wales
Cloudy with rain at times. N. England, N. Wales
Cloudy with rain followed by showers.
Scotland and Ulster
Showers with drifting snow on high ground. Gale force westerly winds.
Outlook: Unsettled and windy. Bright intervals and showers, wintry in the North.

WORLDWIDE		
Y day	midday	Y day
Algeria	15	15
Amsdm.	15	15
Amst.	15	15
Antw.	15	15
Bahrain	24	24
Beirut	15	15
Bombay	15	15
Brussels	15	15
Buenos Aires	15	15
Calcutta	15	15
Cairo	15	15
Cardiff	15	15
Chicago	15	15
Copenhagen	15	15
Frankfurt	15	15
Hong Kong	15	15
London	15	15
Lyons	15	15
Madras	15	15
Malaga	15	15
Manila	15	15
Mexico	15	15
Moscow	15	15
Nairobi	15	15
Paris	15	15
Rangoon	15	15
Rio de Janeiro	15	15
Singapore	15	15
Tokyo	15	15
Winnipeg	15	15

master, Captain Pasquale Bardari, for his delay in calling for assistance and in his handling of events. The board's final report is expected to be produced by the end of the year and will take into account evidence which is at present unavailable, because of civil litigation in France and the U.S. To date the inquiry is thought to have cost Lonrho about £125,000. Republic of Liberia, *Interim Report on the loss of the Amoco Cadiz*. Details, Page 2

during the inquiry is expected to cause continued political friction. Liberia, whose tanker fleet is the largest in the world, emerges from the report unscathed. The report says the Amoco Cadiz was a modern well-equipped vessel conforming to all international requirements and manned by a qualified and well trained crew. But the Board admonishes the crew for poor chart keeping before the steering gear failed and is particularly critical of the tanker's

Tanker changes likely after Amoco report

The board's 57-page report detailing the incident and making a series of recommendations was accepted by Mr. Gerald Cooper, Liberian Maritime Commissioner, who said the findings were "relevant to every fleet, anywhere in the world." While recommendations on such matters as steering gear design and crew training are likely to result in major changes in international ship safety requirements, the board's explicit criticism of the French authorities for a singular lack of co-operation

Gulf and Lonrho row over directors

SHIP OWNERS are likely to face increased pressure to modify steering systems on large vessels as a result of the Amoco Cadiz super-tanker disaster published yesterday. The Inter-Government Maritime Consultative Organisation is expected to be asked to introduce regulations requiring the modification of existing systems and twin fully independent systems on new ships. Some major oil companies are understood already to have begun modifying tanker

Cabinet survival plan may delay election to autumn

THE CABINET drew up a survival plan for the Government yesterday which could see Mr. James Callaghan still in office in the summer, or even until the autumn, if the Prime Minister believes this would give him a better electoral chance. The key is the decision to delay for as long as possible the tabling of the Order annulling the Scotland Act, which provides for a separate Assembly for Scotland, and then the timing of the subsequent Commons vote. The present proposal is to delay the vote until after the General Election if possible, and to put the Scotland Act into a state of suspense so that it could be revived if Labour returned to power.

no obvious opportunity to launch a motion of no confidence in the Government that would attract support from all minority parties and be successful. What seems certain is that the Conservatives will be unable to do anything effective for several weeks to put pressure on the Government because of lack of support from the Nationalists and the Liberals. This will almost certainly take Mr. Callaghan safely up to the Budget on April 3, and Conservative leaders do not believe that this or the Finance Bill will necessarily present them with a suitable opportunity to go for the kill.

The chances are that the Budget will be brief, and drafted sufficiently carefully to avoid a combined attack from all Opposition parties. Even if the Government were defeated on specific clauses of the Finance Bill, it would accept the reverse, and continue in office. The difficulty facing Mrs. Margaret Thatcher, the Tory Leader, is that there is little she can do to attract the support

Orders repealing the Scotland and Wales Acts, but added significantly that it was not unreasonable for the Government to want "a few weeks" in which to consider the referendum result in Scotland. The Government's determination not to rush to repeal the legislation is partly to ensure survival and partly to avoid a backlash from the 1.2m Scots voters, many of them Labour, who supported the devolution proposals. Good reason for the delay is shown in Market and Opinion Research International poll in today's Daily Express which gives the Conservatives a 13 per cent lead over Labour, the Tories have 52 per cent of the poll; Labour 38; the Liberals 7; and others 2 per cent. The Tory lead is down from 19 per cent a month ago, but this was taken at the height of industrial unrest and was regarded widely as an unrealistic assessment. The present lead would give Mrs. Thatcher a massive overall lead in the Commons.

True blue

The City has returned solidly to the Tory fold. Last Friday, security prices rallied sharply after the referendum results — since when brokers Rowe Rudd have been busily polling their clients to discover whether the old jokes about the City loving Labour can finally be laid to rest. It seems that they can. In a similar exercise two years ago, over a third of the respondents thought that a small working majority for Mrs. Thatcher would send gilt edged prices down in the following year. Now only 5 per cent share that view. Over half the 132 fund managers polled thought that such a result would be good for sterling, and three-fifths also think that equities might also benefit. Last year only 72 per cent were rooting for a Tory victory — now they nearly all are. How cozy.

Ecevit attacks West for failure to aid Turkey

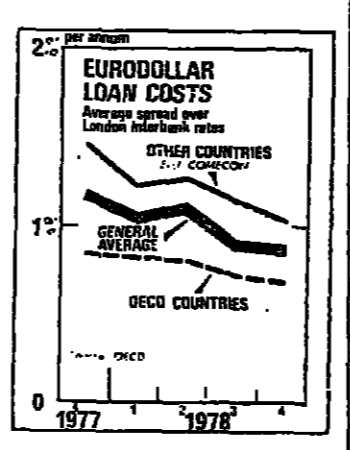
MR. BULENT ECEVIT, the Turkish Prime Minister, yesterday rebuked the West for the "disheartening state" of the follow-up on the promises of an emergency aid package for Turkey made at the Guadeloupe summit. In a statement giving a clear indication of the acute problems Turkey is having in obtaining international aid, he also attacked the West for attaching "unacceptable conditions" to its offers of help to salvage his country's troubled economy.

Political violence had forced him to declare martial law last December in 13 of Turkey's 67 provinces.

David Tange adds: Mr. Ecevit and his closest aides increasingly question whether the emergency package "will be large and early enough to help the government. After the breaking-up as they see it—of various promises of aid received last year, they say that they are no longer certain that the West will live up to its latest offers. These therefore contend it is worth their while taking all the austerity measures demanded by the West. The particular sticking point at present is the devaluation. Refusal to devalue in 1977 contributed to the downfall of Mr. Ecevit's predecessor. But now, even if the lira has lost so much of its value, devaluation would be costly in political terms.

Decline in loan cost continues

THE continuing decline in the cost of raising Eurocurrency loans was underlined yesterday when Caisse Nationale des Telecommunications, the French state agency, announced plans to raise \$350m at the lowest rates for five years. The loan, which will serve as a back up line for the equivalent amount of commercial paper to be issued in New York, includes a margin above the interbank rate of 1 per cent for the first three years rising to 1 per



Du Cann's £1.4m from Cannon sale

CANNON ASSURANCE, the multi-linked life company, is to be bought by the Canadian finance and property Cascade Group for £9.6m. One of Cannon's major shareholders, Mr. Edward du Cann, the Tory MP, will make more than £1m profit from the sale. The sale to Inland Financial, a division of Cascade, was announced yesterday by merchant bankers Keyser Ullmann Holdings. Cannon's majority shareholder with 66 per cent of the equity. Cannon has a chequered history, starting as International Life Insurance (UK), the British end of Mr. Bernie Cornfeld's Investors Overseas Services empire. Mr. du Cann, who will gain £1.4m from the sale through his 15 per cent shareholding, played a large part in rescuing IIL when IOS collapsed in 1971. In conjunction with Keyser, whose chairman he was at the time, he acquired the company in 1973 when it was close to being liquidated. He arranged for Keyser to take the majority holding and took a substantial minority stake himself. This maintained Cannon as a going concern, but caused lengthy litigation between the IOS liquidators and Mr. du Cann and Keyser Ullmann. The case was only settled last May. Mr. du Cann said yesterday that everyone was willing to criticise people who took risks and were successful. But in 1972 he took a real business risk in trying to keep IIL viable.

Sainsbury issues ultimatum in attempt to sell cosmetics

J. SAINSBURY, the supermarket chain which for the last two years has tried unsuccessfully to sell leading cosmetics brands in its stores, intends appealing to the Office of Fair Trading unless several manufacturers capitulate in the next few days. Mr. Peter Davis, Sainsbury's marketing director, claims that any manufacturer refusing to sell branded cosmetics to Sainsbury would be operating a restrictive trade practice. Mr. Davis said last night, however, that one leading cosmetics manufacturer showed signs of wanting to sell to Sainsbury. He declined to name the manufacturer until further talks took place. "This is very encouraging, but will not at this time prevent us from going to the OFT. It

will depend on which other companies agree to sell their products to Sainsbury," he said. Sainsbury claimed that cosmetics manufacturers were not enthusiastic about supermarket sales because they feared jeopardising relations with the British cosmetics industry, which has 34 per cent of the UK retail cosmetic market. Davis said, however, that the company "thrived on competition" and strongly denied it was trying to prevent Sainsbury from selling branded cosmetics. Sainsbury also said leading cosmetics manufacturers were afraid that the prestige of their products would be damaged by selling them alongside food. Sainsbury, having so far failed to persuade most leading manufacturers to supply cosmetics, has just become the first supermarket group to launch its

own cosmetics range, Natur, into 13 large branches. The manufacturer, E. R. Holliday, also supplies F. W. Woolworth with own-brand cosmetics, but says the Natur range is aimed at a different customer, and intended to compete with Boots cosmetics. Sainsbury also sells a range of cosmetics made by Novell Corporation and stocks men's toiletries in some of its stores, obtaining them through wholesalers rather than directly from the manufacturers. Mr. Davis claimed that a manufacturer had tried to stop distribution by putting pressure on one wholesaler—but Sainsbury had continued to sell the products by switching to a different supplier. "We will continue to offer these products to our customers by whatever legal channels we can use," Mr. Davis said.

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